

United States
5
Circuit Court of Appeals
For the Ninth Circuit.

In the Matter of GEORGE S. SPIROPLOS, MILTIADES SPIROPLOS and GUST SPIROPLOS, Partners Under the Firm Name of GEORGE S. SPIROPLOS & BROS., Bankrupts.

CHARLES BODEAU, as Trustee in Bankruptcy of the Estate of GEORGE S. SPIROPLOS, MILTIADES SPIROPLOS and GUST SPIROPLOS,

Appellants,

vs.

GEORGE S. SPIROPLOS, MILTIADES SPIROPLOS, and GUST SPIROPLOS,

Appellees.

Transcript of Record.

Upon Appeal from the United States District Court for the District of Oregon.

FILED

JUL 16 1923

F. D. MONKTON,
CLERK

United States
Circuit Court of Appeals
For the Ninth Circuit.

In the Matter of GEORGE S. SPIROPLOS, MILTIADES SPIROPLOS and GUST SPIROPLOS, Partners Under the Firm Name of GEORGE S. SPIROPLOS & BROS., Bankrupts.

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Names and Addresses of Attorneys of Record.

A. A. SMITH, Baker, Oregon, for the Appellant.

JOHN L. RAND, Salem, Oregon, and GRIFFITH,
LEITER & ALLEN, Electric Building, Port-
land, Oregon, for the Appellees.

In the District Court of the United States for the
District of Oregon.

In the Matter of GEORGE SPIROPLOS, MILTI-
ADES SPIROPLOS, and GUST SPIRO-
PLOS, Bankrupts.

Citation.

United States of America,—ss.

The President of the United States to George Spiro-
plos, Miltiades Spiroplos, and Gust Spiroplos,
GREETING:

You and each of you are hereby cited and admon-
ished to appear in the United States Circuit Court
of Appeals for the 9th Circuit, in the city of San
Francisco, on the 30th day of Oct., 1922, pursuant
to the appeal duly obtained and filed in the Clerk's
Office of the District Court of the United States,
for the District of Oregon, wherein you, as bank-
rupts are appellees and Charles Bodeau, Trustee, is
the appellant, wherein Charles Bodeau, Trustee in
Bankruptcy of the Estate of George Spiroplos, Mil-
tiades Spiroplos, and Gust Spiroplos, is the appel-
lant, to show cause, if any there be, why the order
and decree in said appeal mentioned should not be

reversed and corrected and why speedy justice should not be done to the parties in that behalf and to do and receive that may appertain to justice to be done in the premises.

WITNESS the Honorable R. S. BEAN, United States Judge for the District of Oregon, on the 3d day of Sep., in the year of our Lord one thousand nine hundred and twenty-two.

R. S. BEAN,
Judge. [1*]

State of Oregon,
County of Multnomah.

Due service of the within citation is hereby accepted in Multnomah County, this 30th day of September, 1922, by receiving a copy thereof, duly certified to as such by A. A. Smith, attorney for appellant.

GRIFFITH, LEITER & ALLEN,
Attorneys for Bankrupts.

[Endorsed]: No. B-5595. In the District Court of the United States for the District of Oregon. In the Matter of the Estate of George Spiroplos et al., Bankrupts. Citation. U. S. District Court, District of Oregon. Filed Sep. 30, 1922, at 11:30 o'clock A. M. G. H. Marsh, Clerk. [2]

*Page-number appearing at foot of page of original certified Transcript of Record.

In the District Court of the United States for the
District of Oregon.

July Term, 1920.

BE IT REMEMBERED, that on the 30th day of October, 1920, there was duly filed in the District Court of the United States for the District of Oregon a petition for adjudication of bankrupt, with schedules attached, in words and figures as follows, to wit: [3]

Partnership Petition.

To the Honorable ROBERT S. BEAN and to the
Honorable CHARLES E. WOLVERTON,
Judges of the District Court of the United
States for the District of Oregon:

The petition of George S. Spiroplos, Miltiades Spiroplos and Gust Spiroplos respectfully represents:

That your petitioners, George S. Spiroplos, Miltiades Spiroplos and Gust Spiroplos, have been partners under the firm name of George S. Spiroplos & Bros., having their principal place of business at Home, Oregon, in the County of Baker, and District and State of Oregon, for the greater portion of the six months next immediately preceding the filing of this petition; that the said parties owe debts which they are unable to pay in full; that your petitioners are willing to surrender all their property for the benefit of their creditors, except such as

is exempt by law, and desire to obtain the benefit of the acts of Congress relating to bankruptcy.

That the schedule hereto annexed, marked "A" and verified by their oaths, contains a full and true statement of all the debts of said partners, and, as far as possible, the names and places of residence of their creditors, and such further statements concerning said debts as are required by the provisions of said acts.

That the schedule hereto annexed marked "B" verified by their oaths contains an accurate inventory of all the property, real and personal, of said partners, and such further statements concerning said property as are required by the provisions of said acts.

And the said George S. Spiroplos further states that the schedule hereto annexed, marked "C" verified by his oath contains a full and true statement of all his individual debts, and, as far as possible, the names and places of residence of his creditors, and such further statements concerning said debts as are required by the provisions of said acts; and that the schedule hereto annexed, marked "D," verified by his oath, contains an accurate inventory of all his individual property, real and personal, and such further statements concerning said property, as are required by the provisions of said acts.

And said Miltiades Spiroplos further states that the schedule hereto annexed, marked "E," verified by his oath, contains a full and true statement of all his individual debts, and, as far as possible, the

names and places of residence of his creditors, and such further statements concerning said debts as are required by the provisions of said acts; and that the schedule hereto annexed marked "F," verified by his oath, contains an accurate inventory of all his individual property, real and personal, and such further statements concerning said property as are required by the provisions of said acts. [4]

And said Gust Spiroplos further states that the schedule hereto annexed marked "G," verified by his oath, contains a full and true statement of all his individual debts, and, as far as possible, the names and places of residence of his creditors, and such further statements concerning said debts as are required by the provisions of said acts; and that the schedule hereto annexed marked "H," verified by his oath, contains an accurate inventory of all his individual property, real and personal, and such further statements concerning said property as are required by the provisions of said acts.

And said — further states that the schedule hereto annexed marked "J," verified by his oath, contains a full and true statement of all his individual debts, and, as far as possible, the names and places of residence of his creditors, and such further statements concerning said debts as are required by the provisions of said acts, and that the schedule hereto annexed marked "J," verified by his oath, contains an accurate inventory of all his individual property, real and personal, and such further state-

ments concerning said property as are required by the provisions of said acts.

WHEREFORE, your petitioners pray that the said partnership, and your petitioners as individuals, may be adjudged by a decree of the court to be bankrupts within the purview of said acts.

GEORGE S. SPIROPLOS,
MILTIADES SPIROPLOS,
GUST SPIROPLOS,

Petitioners.

JOHN L. RAND,
Attorney for Petitioners.

United States of America,
District of Oregon,
County of Baker,—ss.

We, George S. Spiroplos, Miltiades Spiroplos and Gust Spiroplos, the petitioning debtors mentioned and described in the foregoing petition, do hereby make solemn oath that the statements contained therein are true according to the best of our knowledge, information and belief.

GEORGE S. SPIROPLOS,
MILTIADES SPIROPLOS,
GUST SPIROPLOS,

Petitioners.

Subscribed and sworn to before me this 21 day of Oct., 1920.

[Seal]

J. L. SOULE,

Notary Public for Oregon.

My Commission expires April 29, 1921. [41½]

SCHEDULE B —STATEMENT OF ALL PROPERTY OF BANKRUPT.

Schedule B-1.

REAL ESTATE.

Location and description of all real estate owned by debtor, or held by him.	Encumbrances thereon, if any, and dates thereof.	Statement of particulars re- lating thereto. \$	Estimated value. cts
Flick Ranch at Home, Ore. described as follows: Lot 2, W $\frac{1}{2}$ of SW $\frac{1}{4}$, SE $\frac{1}{4}$ of SW $\frac{1}{4}$ and SW $\frac{1}{4}$ of SE $\frac{1}{4}$ Sec. 15 and Lots 1, 2 and 3, and E $\frac{1}{2}$ of NW $\frac{1}{4}$ Sec. 22, all in Tp. 12 S. R. 45 E. W. M. in Baker County, Ore.	Incumbered by Mort- gage to First National Bank of Baker City, Oregon, for \$71000.00, Dec. 10th, 1919.	This real estate mortgage was given to secure the pay- ment of certain notes inadequately secured by chat- tel mortgages and 'covers other prop- erty hereinafter more particularly described.	20000.00

George S. Spiroplos
Homestead, about six miles
from Home, Ore. described
as follows.

N $\frac{1}{2}$ of SW $\frac{1}{4}$, W $\frac{1}{2}$ and SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 22, E $\frac{1}{2}$ of NE $\frac{1}{4}$ and NE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 27, all in Tp. 11 S. R. 45 E. W. M. in Baker County, Ore.	Covered by mortgage above described.	Same as stated above.	1000.00
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Total 21000.00

GEORGE SPIROPLOS,
MILTIADES SPIROPLOS,
GUST SPIROPLOS,

Petitioners.

This schedule must be executed in triplicate. [5]

Schedule B-4.

PROPERTY IN REVERSION, REMAINDER
OR EXPECTANCY, INCLUDING PROP-
ERTY HELD IN TRUST FOR THE
DEBTOR OR SUBJECT TO ANY POWER
OR RIGHT TO DISPOSE OF OR TO
CHARGE.

(N. B.—A particular description of each interest must be entered. If all or any of the debtor's property has been conveyed by deed or assignment, or otherwise, for the benefit of creditors, the date of such deed should be stated, the name and address of the persons to whom the property was conveyed, the amount realized from the proceeds thereof, and the disposal of the same, so far as known to the debtor.)

General Interest	Particular Description	Supposed Value of Interest in land
Interest in land	None.	
	GEORGE SPIROPLOS, MILTIADES SPIROPLOS, GUST SPIROPLOS,	
	Petitioners.	[5½]

OATH TO SCHEDULE B.

United States of America,
District of Oregon,
County of Baker,—ss.

On this 20th day of October, A. D. 1920, before me personally came George S. Spiroplos, Miltiades Spiroplos and Gust Spiroplos, the persons mentioned in and who subscribed to the foregoing Schedule (marked B 1, 2, 3, 4, 5, 6), and who, being

by me first duly sworn did declare the said schedule to be a statement of all their Estate, both real and personal, in accordance with the acts of Congress relating to Bankruptcy.

GEORGE S. SPIROPLOS.
MILTIADES SPIROPLOS.
GUST SPIROPLOS.

Subscribed and sworn to before me this 20th day of October, A. D. 1920.

[Seal]

J. L. SOULE,

Notary Public for Oregon.

(District Judge, Referee, U. S. Commissioner, or Notary Public.)

My Commission expires April 29, 1921.

Petitioner's Attorney cannot act as Notary, etc.

To be attached to Schedule B after execution before proper officer. This oath can be taken before a U. S. Judge, Referee, U. S. Commissioner or Notary Public.

Filed October 30, 1920, 12:15 o'clock P. M. G. H. Marsh, Clerk. [6]

AND AFTERWARDS, to wit, on the 30th day of October, 1920, there was duly filed in said court, an adjudication of bankrupt, in words and figures as follows, to wit: [7]

In the District Court of the United States for the
District of Oregon.

No. B-5595—IN BANKRUPTCY.

In the Matter of GEORGE SPIROPLOS, MIL-
TIADES SPIROPLOS, and GUST SPI-
ROPLOS, Individually and as Partners Under
the Firm Name of GEORGE S. SPIROPLOS
& BROS., Bankrupts.

Adjudication of Bankruptcy.

At Portland, in said District, on the 30th day of
October, A. D. 1920, before the Honorable Charles E.
Wolverton, Judge of said court in bankruptcy, the
petition of George S. Spiroplos, Miltiades Spiro-
plos, and Gust Spiroplos, doing business under the
firm name of George S. Spiroplos & Bros., that
George S. Spiroplos, Miltiades Spiroplos and Gust
Spiroplos, individually and as said partnership of
George S. Spiroplos & Bros., be adjudged bankrupt,
within the true intent and meaning of the Acts of
Congress relating to bankruptcy, having been heard
and duly considered, the said George S. Spiroplos,
Miltiades Spiroplos, and Gust Spiroplos, individu-
ally and as said partnership, are hereby declared
and adjudged bankrupts accordingly.

WITNESS the Honorable CHARLES E. WOL-
VERTON, Judge of the said Court, and the seal
thereof, at Portland, in said district, on the 30th
day of October, A. D. 1920.

[Seal]

G. H. MARSH,
Clerk.

By L. S. Rogers,
Deputy Clerk.

[Endorsed]: No. B-5595. United States District Court, District of Oregon. In the Matter of George S. Spiroplos & Bros. et al., in Bankruptcy. Adjudication of Bankruptcy. Filed and Entered at 12:30 o'clock P. M., this 30th day of October, A. D. 1920. G. H. Marsh, Clerk. By L. S. Rogers, Deputy Clerk. [8]

AND AFTERWARDS, to wit, on the 30th day of April, 1921, there was duly filed in said court separate petitions of bankrupts for discharge, in words and figures as follows, to wit: [9]

In the District Court of the United States for the District of Oregon.

No. B-5595—IN BANKRUPTCY.

In the Matter of GEORGE SPIROPLOS, MILTIADES SPIROPLOS and GUST SPIROPLOS, Copartners as SPIROPLOS BROTHERS, Both Individually and as Copartners, Bankrupts.

Petition of Gust Spiroplos for Discharge.

To the Honorable ROBERT S. BEAN and C. J. WOLVERTON, Judges of the District Court of the United States for the District of Oregon.

Gust Spiroplos, of Home, in the County of Baker, and State of Oregon, in said District; respectfully represents that on the 30th day of October, 1920, last past, he was duly adjudged bankrupt under the

Acts of Congress relating to bankruptcy; that he has duly surrendered all his property and rights of property, and has fully complied with all the requirements of said acts and of the orders of the court touching his bankruptcy.

WHEREFORE, he prays that he may be decreed by the Court to have a full discharge from all debts provable against his estate, both individual and as a copartner, under said bankrupt acts, except such debts as are excepted by law from such discharge.

Dated this 4th day of April, A. D. 1921.

GUST SPIROPLOS,
Bankrupt.

State of Oregon,
County of Baker,—ss.

Huntington, Oregon, April 23, 1921.

Personally appeared Gust Spiroplos and made oath that the foregoing statement by him subscribed is true.

Before me,

[Seal]

W. J. WOODS,
Notary Public for Oregon.

My Commission expires August 25, 1921.

Filed April 30, 1921, at 11:05 A. M. G. H. Marsh,
Clerk. [10]

In the District Court of the United States for the
District of Oregon.

No. B-5595—IN BANKRUPTCY.

In the Matter of GEORGE SPIROPLOS,
MILTIADES SPIROPLOS and GUST
SPIROPLOS, Copartners as SPIROPLOS
BROTHERS; Both Individually and as Co-
partners, Bankrupts.

Petition of George Spiroplos for Discharge.

To the Honorable ROBERT S. BEAN and C. J.
WOLVERTON, Judges of the District Court
of the United States for the District of Oregon.

George Spiroplos, of Home, County of Baker, and
State of Oregon, in said District, respectfully rep-
resents that on the 30th day of October, 1920, last
past, he was duly adjudged bankrupt under the Acts
of Congress relating to bankruptcy; that he has
duly surrendered all his property and rights of
property, and has fully complied with all the re-
quirements of said acts and of the orders of the
court touching his bankruptcy.

WHEREFORE, he prays that he may be de-
creed by the Court to have a full discharge from all
debts provable against his estate, both individual
and as a copartner, under said bankrupt acts, except
such debts as are excepted by law from such dis-
charge.

Dated this 4th day of April, A. D. 1921.

GEORGE SPIROPLOS,
Bankrupt.

State of Oregon,
County of Baker,—ss.

Baker, Oregon, April 23, 1921.

Personally appeared George Spiroplos and made oath that the foregoing statement by him subscribed is true.

Before me,

[Seal]

JOHN L. RAND,

Notary Public for Oregon.

My Commission expires Dec. 21, 1923.

Filed April 30, 1921, at 11:05 A. M. G. H. Marsh,
Clerk. [11]

In the District Court of the United States for the
District of Oregon.

No. B-5595—IN BANKRUPTCY.

In the Matter of GEORGE SPIROPLOS,
MILTIADES SPIROPLOS and GUST
SPIROPLOS, Copartners as SPIROPLOS
BROTHERS, Both Individually and as Co-
partners, Bankrupts.

Petition of Miltiades Spiroplos for Discharge.

To the Honorable ROBERT S. BEAN and C. J.
WOLVERTON, Judges of the District Court
of the United States for the District of Oregon.
Miltiades Spiroplos, of Home, County of Baker,

and State of Oregon, in said District, respectfully represents that on the 30th day of October, 1920, last past, he was duly adjudged bankrupt under the Acts of Congress relating to bankruptcy; that he has duly surrendered all his property and rights of property, and has fully complied with all the requirements of said acts and of the orders of the court touching his bankruptcy.

WHEREFORE, he prays that he may be decreed by the Court to have a full discharge from all debts provable against his estate, both individual and as a copartner, under said bankrupt acts, except such debts as are excepted by law from such discharge.

Dated this 4th day of April, A. D. 1921.

MILTIADES SPIROPLOS,
Bankrupt.

State of Oregon,
County of Baker,—ss.

Huntington, Oregon, April 13, 1921.

Personally appeared Miltiades Spiroplos and made oath that the following statement by him subscribed is true.

Before me,

[Seal]

W. J. WOODS,

Notary Public for Oregon.

My Commission expires August 25, 1921.

Filed April 30, 1921, at 11:05 A. M. G. H. Marsh,
Clerk. [12]

AND AFTERWARDS, to wit, on the 11th day of July, 1921, there was duly filed in said court specifications of objections to discharge, in words and figures as follows, to wit: [13]

In the District Court of the United States for the District of Oregon.

In the Matter of GEORGE SPIROPLOS, MILTIADES SPIROPLOS and GUST SPIROPLOS, Bankrupts.

Specifications of Grounds of Opposition to Bankrupts' Discharge.

Comes now Charles Bodeau, the duly qualified and acting trustee of the estate of the above bankrupts and, having been authorized and requested by the creditors of the said bankrupts at a meeting called and held for that purpose prior hereto to appear herein and file specifications of grounds of opposition to the discharge of the said bankrupts and to do such other and further acts as may be necessary to properly present for decision the matters covered by said specifications, the said Trustee does hereby oppose the granting of a discharge to the bankrupts above named from their debts and for grounds of such opposition hereby files the following

SPECIFICATIONS.

I.

(Omitted by direction of praecipe for transcript.)

II.

(Omitted by direction of praecipe for transcript.)

III.

That the bankrupts above named duly filed as required by law their petition to be adjudicated bankrupts and as a part thereof included schedules purporting to show all property owned by them both individually and as copartners, but that said schedules purporting to show the property owned by the said bankrupts individually and as copartners failed to include [14] eight head of cattle, consisting of three cows, one steer, three or four years old, two yearlings and two calves, which said cattle and all thereof was the property either of the said bankrupts as copartners or of the said George S. Spiroplos, one of said bankrupts, individually; the said bankrupts failed to include in said schedule a McCormick mower which was owned by them; and a gas engine, all of above-described property having since their adjudication as bankrupts been sold by the said bankrupts and the proceeds therefrom appropriated to their own use and benefit, and at the time of the filing of the said petition to be adjudicated bankrupts, which included the schedules as aforesaid, the said bankrupts and each thereof well knew that neither the said cattle above described nor the said mowing machine nor the said gas engine were included therein and the said bankrupts wilfully, fraudulently and purposefully failed to include the said property above described in their said schedule for the purpose of defrauding the creditors of said bankrupts and for the purpose of appropriating the said property to their own use and benefit, and the said bankrupts wilfully, and

fraudulently concealed the property above described and all thereof from the Trustee in Bankruptcy and at all times failed and refused to disclose to the said Trustee the property above described or to turn the same over to him or to turn the proceeds of said property over to the said Trustee and the said bankrupts since their adjudication have sold and disposed of the property above described and appropriated the proceeds thereof, and the said property was sold or disposed of by the said bankrupts before the said Trustee had any knowledge of the existence of said property or that the same belonged to the said bankrupts, either as partners or individually, and the said Trustee demanded the proceeds from said sales to be turned over to him as Trustee, but the said bankrupts have at all times failed, neglected and refused to turn over said proceeds or any part thereof to the said Trustee. [15]

IV.

That at the time of filing the said schedules showing property owned by said bankrupts the said bankrupts were the owners of the following described premises, to wit:

The East half (E. $\frac{1}{2}$) of the Northeast quarter (NE. $\frac{1}{4}$) of Sec. 12, Tp. 12 S., R. 44 E., W. M., and Lot 1, Northeast quarter (NE. $\frac{1}{4}$) of the Northwest quarter (NW. $\frac{1}{4}$); South half (S. $\frac{1}{2}$) of the Northwest quarter (NW. $\frac{1}{4}$); Southwest quarter (SW. $\frac{1}{4}$) of the Northeast quarter (NE. $\frac{1}{4}$); and the Northwest quarter (NW. $\frac{1}{4}$) of the Southeast quarter (SE. $\frac{1}{4}$) of Sec. 7, Tp. 12 S., R. 45 E., W. M.

That the real property above described was not included in the list of assets owned by the said bankrupts as shown by the schedules filed by them, although at said time and at all times since the — day of Nov. 1919, the said bankrupts have been the owners of the real premises above described and the same were a part of the assets of the said bankrupts, and the said bankrupts wilfully and fraudulently failed and neglected to include the premises above described in the assets belonging to the said bankrupts, and wilfully and fraudulently concealed from the Trustee in Bankruptcy and from the creditors of the said bankrupts that they were the owners of the said real property or had any interest therein.

V.

That on the — day of June, 1921, the Hon. F. L. Hubbard, the duly appointed, qualified and acting referee to whom the above matter had been referred, duly made and entered an order requiring the said bankrupts to turn over to the Trustee herein all of the books, records and documents showing transactions of the said partnership, and the said bankrupts have wholly failed and neglected and refused to turn over certain books and ledgers showing accounts between them and one John Demas who claims to be the owner of certain property actually belonging to the said bankrupts and which said books the said bankrupts claim show that the said John Demas has paid all indebtedness owing by him to the said bankrupts, and that the said John Demas is the owner of the said property,

and showing all transactions between themselves and men [16] associated with them in the sheep business and such books, the exact description of which is wholly unknown to the Trustee herein have not been turned over to the said Trustee, and the said Trustee has had no opportunity to examine the same or become familiar with the transactions covered by the records and books which have not been turned over. That certain books and memoranda have been turned over but that no part thereof cover the transactions above referred to, and that the said bankrupts have wholly failed and neglected to turn over to the said Trustee any records showing in any satisfactory manner the transactions between the said bankrupts and the said John Demas and other associates with the bankrupts in the business in which they were engaged, and the said order above referred to was duly served upon the said bankrupts and they and each of them have due notice thereof, and the said bankrupts have wholly failed to turn over to the said Trustee a complete set of books or memoranda or documents or records of any description showing in a complete manner the transactions and business dealings of the said partnership, and that the records which have been turned over are wholly incomplete and insufficient for the purpose of examining into such transactions or learning the facts relative to the same although the said bankrupts claim to have kept a complete set of books showing all of their transactions, but such books if kept, the said bankrupts have wilfully failed, neglected

and refused to turn over to the said Trustee at any time prior or subsequent to the making of the said order.

VI.

That the said bankrupts within four months of the date that the petition to be adjudicated as bankrupts was filed, transferred and assigned to one John Demas an automobile, and at the time of the attempted transfer of the said automobile to the said John Demas the said bankrupts were insolvent and the said automobile was transferred for the purpose of giving to the said John Demas a preference, and the said automobile was not included by the said bankrupts in the schedules of property owned by them and filed with the said petition, and the assignment of the said automobile to the said John Demas as aforesaid constituted a preference and was for the purpose of paying [17] an antecedent debt or a portion thereof, and the said automobile as a matter of law should have been included in the said assets of the said bankrupts because of the fact that the same had been transferred within four months of the adjudication of the said bankrupts as bankrupts, and the said bankrupts knowingly and with fraudulent intent failed to include the said automobile in the said assets contained in the said schedules filed by said bankrupts.

VII.

That the said George S. Spiroplos, Miltiades Spiroplos and Gust Spiroplos on or about the 20th day of October, 1920, before one J. L. Soule, a duly appointed and qualified Notary public for the State

of Oregon, in Baker County, Oregon, and in the District of Oregon, duly subscribed and swore to schedule "B" of their petition to be adjudged bankrupts, which said petition was filed in the U. S. District Court of the District of Oregon on October 30, 1921, and on or about the said 20th day of October, 1920, the said George S. Spiroplos, Miltiades Spiroplos and Gust Spiroplos after being duly sworn declared that the said schedule "B" was a statement of all of their estate both real and personal, and at the said time the said George S. Spiroplos, Miltiades Spiroplos and Gust Spiroplos duly subscribed to the said oath and at said time they and each of them knew that the said schedule did not contain eight head of cattle, which belonged at said time to the said bankrupts or to the said George S. Spiroplos individually, and they and each of them knew that the said schedule did not contain a statement of their ownership of a gas engine or of a McCormick mower or a disk harrow or of a debt owing by Mrs. — Bastian to the said partnership in the sum of \$50.00 for the balance due on the purchase price of an old gasoline engine or of about 1200 posts on what is known as the Miller ranch, or of the following described premises, to wit:

East half (E. $\frac{1}{2}$) of the Northeast quarter (NE. $\frac{1}{4}$) of Sec. 12, Tp. 12 S., R. 44 E., W. M., and Lot 1; Northeast quarter (NE. $\frac{1}{4}$) of the Northwest quarter (NW. $\frac{1}{4}$); South half (S. $\frac{1}{2}$) of the Northwest quarter (NW. $\frac{1}{4}$); Southwest quarter (SW. $\frac{1}{4}$) of the Northeast quarter (NE. $\frac{1}{4}$) and the Northwest quarter (NW. $\frac{1}{4}$) of the Southeast quarter (SE. $\frac{1}{4}$) of Sec. 7, Tp. 12 S., R. 45 E., W. M.

And at said time the said George S. Spiroplos, Miltiades [18] Spiroplos and Gust Spiroplos, and each of them knew that the said partnership owned all of the above property and that the same was not included in said schedule and that the said schedule "B" as aforesaid was not a full and complete statement of all the real and personal property owned by the said bankrupts, and that the said bankrupts with full and complete knowledge of the fact that the said schedule did not contain all of their real and personal property, wilfully subscribed and swore to the said schedule and wilfully swore that the said schedule contained a full, true and correct statement of the real and personal property owned by them.

VIII.

(Omitted by direction of praecipe for transcript.)

IX.

That the said George S. Spiroplos, Miltiades Spiroplos, and Gust Spiroplos, Bankrupts above named and one John Demas for the purpose of defrauding the creditors of the said bankrupts entered into an agreement and conspiracy under and by virtue of which certain property belonging to the said bankrupts was to be claimed by the said John Demas as his own property the time of said agreement or said conspiracy being unknown to the Trustee herein and in accordance and under and by virtue of said conspiracy the said John Demas claims to be the owner of a certain gas engine which at the time of the adjudication of the said bank-

rupts as bankrupts was their property, claims to be the owner of a mowing machine, which at the said time was their property and claims to be the owner of the following described premises, to wit:

East half (E. $\frac{1}{2}$) of the Northwest quarter (NE. $\frac{1}{4}$) of Sec. 12, Tp. 12 S., R. 44 E., W. M. and Lot 1; Northeast quarter (NE. $\frac{1}{4}$) of the Northwest quarter (NW. $\frac{1}{4}$); South half (S. $\frac{1}{2}$) of the Northwest quarter (NW. $\frac{1}{4}$); Southwest quarter (SW. $\frac{1}{4}$) of the Northeast quarter (NE. $\frac{1}{4}$) and the Northwest quarter (NW. $\frac{1}{4}$) of the Southeast quarter (SE. $\frac{1}{4}$) of Sec. 7, Tp. 12 S., R. 45 E., W. M.

Which was their property, and claims to be the owner of various other items of property which was the property of said bankrupts but which are at this time unknown to the Trustee but all of said property at the time of the adjudication of the said bankrupts [19] as bankrupts was their property and the said John Demas at no time had any right, title or interest therein or any portion thereof and the said conspiracy and arrangement between said parties was for the purpose on the part of the said bankrupts to defraud the creditors of the said bankrupts and prevent said creditors from obtaining the said property or the proceeds therefrom and to enable the said bankrupts to conceal the said property from the Trustee and from the creditors and to appropriate the same to their own use and the agreement was knowingly, willfully and fraudulently entered into by the said bankrupts for the sole purpose of defrauding the creditors thereof

and the said bankrupts by means of said conspiracy and agreement have willfully and unlawfully attempted to sell and dispose of the property above named and to wilfully and unlawfully appropriate the proceeds thereof to their own use and to wrongfully and unlawfully prevent said property or the proceeds thereof to be turned over to the Trustee and for the purpose of hindering the creditors of the said bankrupts and prevent them from obtaining the said property or the proceeds thereof to be applied upon the obligations of the said bankrupts.

WHEREFORE Trustee prays that the bankrupts be denied a discharge.

CHARLES BODEAU,

Trustee.

A. A. SMITH,

Attorney for Trustee, Residing at Baker, Oregon.

State of Oregon,

County of Baker,—ss.

I, Charles Bodeau, being first duly sworn, say that I am the Trustee above named. That I have read the above and foregoing specifications of opposition to the discharge of the bankrupts, know the contents thereof and the same is true as I verily believe.

CHARLES BODEAU.

Subscribed and sworn to before me this 9th day of July, 1921.

[Seal]

A. A. SMITH,

Notary Public for Oregon.

My commission expires Mar. 16, 1925.

Filed July 11, 1921. G. H. Marsh, Clerk. [20]

AND AFTERWARDS, to wit, on the 8th day of May, 1922, there was duly filed in said court an answer of bankrupts to specifications of objections to discharge, in words and figures as follows, to wit: [21]

In the District Court of the United States for the District of Oregon.

In the Matter of GEORGE SPIROPLOS, MILTIADES SPIROPLOS and GUST SPIROPLOS, Copartners, Doing Business Under the Firm Name and Style of SPIROPLOS BROTHERS, Bankrupts.

Answer of Bankrupts to Specification of Grounds of Opposition to Bankrupts' Discharge.

Come now the above-named George Spiroplos, Miltiades Spiroplos and Gust Spiroplos, copartners, doing business under the the firm name and style of Spiroplos Brothers, bankrupts, and for answer as bankrupts to the objections of Charles Bodeau, Trustee in bankruptcy, heretofore filed herein and to the matters and things therein alleged, admit, deny and allege, as follows:

I.

As to the allegations contained in what is designated therein as specification I, said bankrupts say: That the said allegations are so indefinite and uncertain that said bankrupts are not apprised and do not know to what said allegations refer and therefore said bankrupts move that said allegations be stricken out for the reason that the same are so

indefinite and uncertain that they do not apprise the bankrupts of the charges intended to be alleged or to any matter or thing which said bankrupts are required to answer.

II.

Answering the allegations contained in paragraph II, said bankrupts deny that on the 5th day of May, 1921, the Referee herein made an order directing said bankrupts or either of them except George Spiroplos, to appear at the office of the Referee on the 12th day of May, 1921, or that any notice was ever served on any of said bankrupts, except George Spiroplos, to appear at any time and neither of said bankrupts, except George Spiroplos, knew that any hearing was set for said time. Said bankrupts admit that a copy of said order was mailed to the bankrupt, George Spiroplos, at Home, Oregon, and was received by him on or about May 7th, [22] 1921. That at said time the said George Spiroplos, bankrupt, was in charge of a shearing outfit belonging to Robert S. Stanfield, and could not, without great loss to said Stanfield, leave said plant and immediately upon receiving the letter from Hon. F. L. Hubbard, the Referee, notifying him that a hearing was to be held on the 12th day of May, 1921, at Baker, Oregon, the said George Spiroplos wrote a letter to his counsel, John L. Rand, dated May 7th, asking his said counsel to see the said Referee and, if possible, get the hearing continued to May 15th, at which time the shearing would be finished. That said counsel was not in Baker on the receipt of said letter and did not return to Baker until the morning

of May 14th, 1921, and therefore did not receive nor answer the letter so written to him by said George Spiroplos. That not receiving any reply from his said counsel and being unable to leave said shearing plant at Home, Oregon, which is situated a distance of sixty-five miles from Baker, Oregon, the said George Spiroplos believed that said hearing had been postponed as he had requested to have done and for that reason did not come to Baker at said time. That the said John L. Rand returned to Baker, Oregon, on the morning of May 14th, 1921, and upon his return received the letter written to him by said George Spiroplos, and as said bankrupts are informed and believe and therefore allege, he attempted to get into communication with Mr. Hubbard, and under date of May 14th, wrote a letter to Mr. George Spiroplos, as follows:

“Mr. George Spiroplos,
Home, Oregon.

“Dear Mr. Spiroplos:

“I received your letter of May 7th, this morning stating that Mr. Hubbard had notified you to come in on May 12th, and asking me to see you and find out if it was necessary for you to come in. I left here on May 3d and did not return until last night, hence my delay in answering your letter. Mr. Hubbard is not in town so I cannot find out for what he wanted you to come in.” [23]

The letter was written and mailed to said George Spiroplos by his said counsel on May 14th, 1921, and was received a short time thereafter by him at Home, Oregon. That the failure of said George

Spiroplos to appear at the said time set as aforesaid was wholly the result of a misunderstanding and through the belief upon his part that the hearing had been postponed and not otherwise.

III.

Answering paragraph III of said specifications the bankrupts deny that said bankrupts failed to include in the petition and schedules filed by them any cattle, or other property belonging to them, as partners or as individuals or otherwise, and said bankrupts allege that said cattle and said McCormick Mower and the said gas engine, and each and every article mentioned in said specification III was not their property at the time petitions in bankruptcy were filed and were properly and lawfully and in good faith omitted from said schedules on account of not belonging to them and not being property which they had a right to insert in said schedules.

IV.

Answering paragraph IV of said specifications the said bankrupts deny that they were ever the owners of any part of the real property mentioned in said paragraph IV, or ever had any interest therein, and allege that the said property and the whole thereof was the property of one John Demas, who held both the legal and equitable title thereto and the full beneficial interest therein.

V.

Answering paragraph V of said specifications the bankrupts allege that they kept no books of account, records or documents showing the transac-

tions of their said partnership, until [24] on or about November, 1919, except check-books, and a small book showing the time and wages of employees. That about the 1st day of November, 1919, the bankrupts commenced to be involved in business difficulties at which time they took said small book, showing the time of said employees, and all of their bank-books, checks and other documents and delivered them to J. L. Soule, and at said time employed the said J. L. Soule to keep a full and accurate account of all their business transactions and ever after said time their accounts were kept in full by the said J. L. Soule and all of said books so kept by him are in Baker, and have been delivered to A. A. Smith, who is representing both the creditors herein, as will appear from the records herein, and also the Trustee in Bankruptcy, and said books and records are now in his possession and have been for some time prior hereto. These bankrupts further allege that upon a hearing held herein on Tuesday, June 7th, 1921, at which time the said George Spiroplos presented himself for examination before the Referee, no demand was made upon the said George Spiroplos for any books of account but Mr. Soule, who appeared at said time as a witness before said Referee, was requested to produce and deliver the books of said partnership and in response thereto did deliver said books to said A. A. Smith, as above stated.

VI.

Answering paragraph VI of said specifications the bankrupts allege that they do not now and

never did have any interest whatsoever in the automobile mentioned in said paragraph and specification VI. That the same was the sole and separate property of John Demas as was well known to the Trustee in Bankruptcy and his attorney at the time said specifications and objections were filed and the true history and a statement of the transaction involved in connection with said automobile was testified to and proved at the hearing before the Referee held on June 7th, 1921. [25]

VII.

Answering the allegations of paragraph VII of said specifications said bankrupts deny all of the allegations contained in said paragraph, except they allege that Mrs. Minnie Bastian had not paid them in full for the gasoline engine and posts mentioned therein all that they believed she should pay, but that said Minnie Bastian had always disclaimed that she owed anything thereon and said bankrupts had, for that reason, abandoned any contention upon their part that anything was due them from her. That no sum has been paid by her thereon since and at the time said schedules were prepared the bankrupts had forgotten said transaction.

VIII.

Answering paragraph VIII of said specifications the said bankrupts deny each and every allegation contained therein.

IX.

Answering paragraph IX of said specifications

the said bankrupts deny each and every allegation contained therein.

Further answering said objections to the discharge of said bankrupts said bankrupts allege:

I.

That during all of the time mentioned in the specifications and grounds of opposition to the bankrupts' discharge herein the bankrupts herein lived at Home, Oregon, a point sixty-five miles from Baker. That during most of said time they were away from Home, Oregon, at points further away and in the mountains, as the employees of Robert S. Stanfield, in charge of sheep belonging to said Stanfield. That neither of said bankrupts, except George Spiroplos, has ever been notified or requested to appear before the Referee, at any time or place. That neither of said bankrupts have taken any part in said bankruptcy proceedings since they were adjudicated bankrupts, except the said George Spiroplos. That no notice or demand has ever been served or made on either Miltiades Spiroplos or Gust Spiroplos. That the said George [26] Spiroplos has come to Baker, as will appear from the records of the Referee, herein, on numerous occasions when requested by the Referee, or by the attorney for the Trustee, or by the creditors. That he has done so at great expense to himself. That his expenses have only been paid him on one occasion. That at all other times he has paid his own expenses and in each instance has traveled a distance of not less than sixty-five miles each way in coming and going to attend hearings when requested. That he has never intentionally

or wilfully failed to appear when notified. That if he had understood that it was necessary for him to have been here on May 12th, 1921, he would have been here but he believed at said time that the matter had been postponed because he did hear from counsel, as hereinbefore stated.

II.

Said bankrupts further allege that none of the charges made by the Trustee in Bankruptcy are true, and that all of the property belonging to said bankrupts, either as partners or as individuals, are included in their said schedules and that all of the matters and things in said schedules alleged are true.

Wherefore said bankrupts pray that they may be discharged as in their petition in bankruptcy prayed.

JOHN L. RAND,

Attorney for Said Bankrupts. [27]

State of Oregon,

County of Baker,—ss.

I, George Spiroplos, being first duly sworn, say: I am one of the bankrupts in the foregoing proceedings; that I have heard the foregoing answer of said bankrupts read and know the contents thereof and that the same is true as I verily believe.

GEORGE S. SPIROPLOS.

Subscribed and sworn to before me this 10th day of August, 1921.

[Seal]

JOHN L. RAND,

Notary Public for Oregon.

My Commission expires December 21st, 1923.

State of Oregon,
County of Baker,—ss.

Due service of a duly certified copy of the within answer is hereby admitted this 30th day of August, 1921.

A. A. SMITH,
Attorney for Trustee.

Filed August 30, 1921. Forrest L. Hubbard, Special Master.

Filed May 8, 1922. G. H. Marsh, Clerk. [28]

AND AFTERWARDS, to wit, on the 8th day of May, 1922, there was duly filed in said court, the findings of fact and conclusions of law of Special Master, in words and figures as follows, to wit: [29]

In the District Court of the United States for the District of Oregon.

No. B-5595—IN BANKRUPTCY.

In the Matter of GEORGE SPIROPLOS, MILTIADES SPIROPLOS and GUST SPIROPLOS, Copartners, as SPIROPLOS BROTHERS, Both Individually and as Copartners.

Findings of Fact and Conclusions of Law of Special Master Upon Application for Discharge.

This matter coming on this 6th day of May, 1922, for the making of the findings of fact and conclu-

sions of law herein; the testimony having been heretofore taken before Forrest L. Hubbard, Referee in Bankruptcy, as a Special Master; and having been transcribed and duly considered by said Special Master; and final argument thereon by counsel having been heretofore made and the same having been heretofore and on December 6th, 1921, submitted to said Special Master and said Special Master having duly considered all of said testimony and the argument of counsel, and now being fully advised in the premises, makes the following

FINDINGS OF FACT.

I.

That as to specifications I and II as set forth in the specifications of grounds of opposition to bankrupt's discharge now on file herein, which have to do with the appearance of the bankrupts in response to orders made by the above-entitled Court and the Referee in Bankruptcy to whom the above-entitled case was referred, while the bankrupts appear to have been somewhat negligent, they do not appear to have wilfully and wantonly disobeyed and disregarded said orders, but on the other hand there [30] appears to have been more or less misunderstanding on the part of the bankrupts, their attorney and the Referee in Bankruptcy.

II.

That as to the eight head of cattle mentioned in specification III of the specifications above referred to, the testimony of D. L. Forsea found on pages 46 to 49, inclusive, of the testimony taken on Au-

gust 30th, October 24th and 25th, 1921, and the Trustee's Exhibits 6 and 23, show that these cattle were sold by George Spiroplos, one of the bankrupts, subsequent to the adjudication of bankruptcy herein, and that the money was paid to and received by George Spiroplos personally, and not for the use and benefit of the Trustee herein or the creditors, and that said sale of these cattle was made in such a way as would indicate that George Spiroplos claimed them as his own property; and the testimony of George Spiroplos as found on pages 23 to 28, inclusive, of the testimony taken on May 26th, 1921, and as found on Page 142 of the testimony taken on August 30th, October 24th and 25th, 1921, is so contradictory that it is entitled to no credit whatever; and the testimony of John Demas, as found on pages 223 and 224 of the testimony taken on August 30th, October 24th and 25th, 1921, is so indefinite and uncertain as to be of no value whatever; and the Special Master therefore finds that the bankrupts herein have knowingly omitted these cattle from the list of their property and assets as set forth in their schedules and that said cattle were, at the time of the filing of said schedules, the property of either the bankrupts as copartners, or, of George Spiroplos, individually.

III.

That as to the McCormick Mower mentioned in specification III of the specifications above referred to, the testimony of George Spiroplos, as found on pages 24 to 26, inclusive, of the [31] testimony taken on May 26th, 1921, and as found on pages

22 to 32, inclusive, of the testimony taken on June 7th, 1921, and as found on pages 144 to 148, inclusive, 151, 169, 174 to 178, inclusive, and 219, of the testimony taken on August 30th October 24th and 25th, 1921, is so contradictory that it is impossible to reconcile the same so as to give it any credit or consideration whatever; and the testimony of John Demas, as found on pages 57 to 66, inclusive, of the testimony taken on June 7th, 1921, and on pages 214 to 218, inclusive, 220 and 237 to 240, inclusive, of the testimony taken on August 30th, October 24th and 25th, 1921, is so contradictory that it is impossible to reconcile the same so as to give it any credit or consideration whatever; while the testimony of Mr. Forsea, found on pages 49 to 53, inclusive, and that of Mr. Duggar, found on pages 23 to 41, inclusive, and that of Mr. Smith, found on pages 129 to 134, inclusive, all being a part of the testimony taken on August 30th, October 24th and 25th, 1921, clearly indicates that this mower was purchased by George Spiroplos on behalf of the partnership now in bankruptcy, and that the same was sold by George Spiroplos, one of the bankrupts herein, subsequent to the adjudication of the bankruptcy herein, and the money paid to and received by George Spiroplos personally, and not for the use and the benefit of the trustee herein or the creditors of any of the bankrupts; and the Special Master, therefore, finds that this McCormick Mower was owned by the partnership now in bankruptcy at the time of the making and filing

of the schedules herein and was knowingly omitted from said schedules by the bankrupts.

IV.

That as to the gasoline engine mentioned in specification III of the specifications above referred to, the testimony of George Spiroplos, as found on pages 21 to 23, inclusive, as taken on May 26th, 1921, and on page 34 of the testimony taken on [32] June 7th, 1921, and on page 148 to 154, inclusive, and 158 to 160, inclusive, of the testimony taken on August 30th, October 24th and 25th, 1921, cannot be reconciled sufficiently to deserve any credit or consideration, and that the same is true of the testimony of John Demas as found on pages 60, 65 and 66 of the testimony taken on June 7th, 1921, and on pages 220, 221, 222, 240, to 244, inclusive, of the testimony taken on August 30th, October 24th and 25th, 1921; while the testimony of Mrs. Mc-Birney found on pages 4 to 15, inclusive, and of Mr. Daniel, found on pages 16 to 19, inclusive, of the testimony taken on August 30th, October 24th and 25th, 1921, Trustee's Exhibits 2, 3, 4, and 5, show conclusively that this engine was purchased by George Spiroplos, for the partnership now in bankruptcy prior to the adjudication of bankruptcy; and the testimony of Miss Kivett, as found in her deposition and also of Mr. Spaulding, as found in his deposition, as well as the admission of George Spiroplos, show conclusively that this engine was sold after the adjudication of bankruptcy herein by George Spiroplos, and that the purchase price was paid to him personally and not

for the use and benefit of the trustee herein or the creditors of any of these bankrupts; and the Special Master therefore finds that this gasoline engine was the property of the partnership now in bankruptcy at the time the schedules herein were made and filed, and that the same was knowingly omitted from said schedules by these bankrupts.

V.

That as to the lands described in specification IV of the specifications above mentioned, the testimony of George Spiroplos, as found on pages 32 and 33 of the testimony taken on June 7th, 1921, and also on pages 143, 144, 151, 154 to 174, inclusive, 185 to 194, inclusive, 202 to 205, inclusive and 248 to 250, inclusive, of the testimony taken on August 30th, October 24th and [33] 25th, 1921; and also the testimony of Mr. Soule, as found on pages 55, 56 and 62 to 71, inclusive, of the testimony taken on August 30th, October 24th and 25th, 1921; and also the testimony of Mr. Smith, as found on pages 80 to 89, inclusive, of the testimony taken on August 30th, October 24th and 25th, 1921; and also the testimony of William Pollman, as found on pages 102 and 103 of the testimony taken on August 30th, October 24th and 25th, 1921; and also Trustee's Exhibits 8, 9, 11, 12, 13, 13a, 14, 15, 16, 17, 18, all indicate to the entire satisfaction of the Special Master that this land was purchased by George Spiroplos, one of the bankrupts herein, either for himself, or for the partnership in bankruptcy herein long prior to the adjudication of bankruptcy herein, and that the same

was paid for by the partnership in bankruptcy herein, but that the title to said lands was taken in the name of John Demas in order to secure additional rights upon the Government range, and that said lands are still owned by the partnership in bankruptcy herein, or by George Spiroplos, one of the bankrupts herein, but that the record of title thereto is in the said John Demas; and that in view of the other testimony given herein by the said John Demas, and its contradictory character, that the testimony of John Demas, relative to said lands, is not entitled to any credit whatever; and that the Special Master therefore finds that said lands were owned by the partnership in bankruptcy herein, or by George Spiroplos, one of the bankrupts herein, at the time of the making and filing of the schedules herein, but that the same was knowingly omitted by the bankrupts herein, in their said schedules.

VI.

That on the —— day of June, 1921, an order was duly made and entered by F. L. Hubbard, as Referee in Bankruptcy, to whom the above-entitled case was referred, directing and ordering [34] said bankrupts to deliver to the Trustee herein all of the books, records and documents, showing the transactions of the business of the partnership, bankrupts herein, and also of the bankrupts individually, and that said bankrupts have failed, neglected and refused to deliver to said Trustee a certain account-book wherein, as shown by the testimony of Mr. Soule on pages 56 to 61, inclusive,

of the testimony taken on August 30th, October 24th and 25th, 1921, the account between these bankrupts and John Demas was kept.

VII.

That as to specification VI of the specifications above referred to, the bankrupts attempted to give John Demas a preference by attempting to transfer an automobile belonging to Miltiades Spiroplos, one of the bankrupts herein, to the said John Demas in payment of a pre-existing debt, and that said attempt at the transfer of said automobile was made within 4 months prior to the adjudication herein and that said automobile was in truth and fact the property of said Miltiades Spiroplos at the time of the making and filing of the schedules herein and that said automobile was knowingly omitted from said schedules by Miltiades Spiroplos, one of the bankrupts herein.

VIII.

That said bankrupts herein were the owners of 1200 posts at the time of the filing of their schedules herein, and that said posts were knowingly omitted from said schedules by said bankrupts herein.

IX.

That the testimony offered relative to a claim against Mrs. Bastian in favor of the bankrupts is not clear enough to base a finding upon as to whether or not there existed, at the time of the filing of the schedules herein, a claim against Mrs. Bastian [35] and in favor of the bankrupts herein, or either, or any of them.

X.

That the bankrupts herein and the said John Demas, hereinbefore mentioned, have so conducted and arranged matters in their dealings and business connections with each other, as to make it impossible to ascertain many facts relative to the matters now under consideration and have undertaken to state the facts relative to several of their business transactions, but that in their statements from time to time, as shown by the record herein, all of which have been made under oath, they have contradicted themselves so frequently and in such a manner as to convince the Special Master that they have conspired and contrived together for the purpose of concealing properties belonging to the bankrupts and attempting to make it appear that said properties belonged to said John Demas.

XI.

That the testimony taken on May 27th, 1921, was taken primarily as a part of the examination of the bankrupts and was by stipulation (page 61, testimony of August 30th, October 24th and 25th, 1921) offered and received without objection as an exhibit in the hearing upon objections to the discharge.

From the foregoing findings of fact, the Special Master herein makes the following

CONCLUSIONS OF LAW.

I.

That the bankrupts herein have knowingly and wilfully concealed and withheld from their bankrupt estate and from the Trustee herein, and have knowingly and wilfully omitted from their schedules

herein, certain properties, both real and personal, owned by them at the time of the filing of their petitions and schedules [36] and that since the adjudication herein have disposed of a portion of said personal properties and have retained the proceeds from such sales for their own use and benefit; and have therefore failed to comply with the Acts of Congress relating to Bankruptcy.

II.

That the objections to the discharge of said bankrupts and the specifications of grounds for opposition to discharge now on file herein, have been established by the testimony offered herein and that by reason thereof, the said bankrupts herein as copartners and also as individuals are not entitled to a discharge from their obligations in this proceeding.

III.

That the above-named bankrupts as copartners and as individuals, should be by an order of the above-entitled Court denied a discharge from any of their obligations and debts set forth in their schedules herein.

FORREST L. HUBBARD,

Referee in Bankruptcy and Special Master.

Notice of the filing of within findings mailed May 8, 1922, to John L. Rand, attorney for the bankrupts, and to A. A. Smith, attorney for Trustee and objecting creditors.

G. H. MARSH,

Clerk.

By L. S. Rogers,

Deputy.

Filed May 8, 1922, 9:00 o'clock A. M. G. H. Marsh, Clerk. [37]

AND AFTERWARDS, to wit, on the 6th day of June, 1922, there was duly filed in said court objections and exceptions to findings of Special Master, in words and figures as follows, to wit: [38]

In the District Court of the United States for the District of Oregon.

No. B-5595—IN BANKRUPTCY.

In the Matter of GEORGE SPIROPLOS, MILTIADES SPIROPLOS and GUST SPIROPLOS, Copartners, as SPIROPLOS BROTHERS, Both Individually and as Copartners.

Objections and Exceptions to Findings of Special Master.

Come now the bankrupts above named, by their attorneys, William H. Packwood and Fred W. Packwood, and object and except to the findings of fact and conclusions of law made and filed in the above-entitled cause on the 8th day of May, 1922, by Forrest L. Hubbard, Referee in Bankruptcy and Special Master, which said objections and exceptions are as follows, to wit:

I.

Object and except to the finding of fact No. II for the reason and on the grounds that said finding of

fact is contrary to the weight and preponderance of the testimony taken and submitted in said cause.

II.

Object and except to the finding of fact No. III for the reason and on the grounds that said finding of fact is contrary to the weight and preponderance of the testimony taken and submitted in said cause.

III.

Object and except to the finding of fact No. IV for the reason and on the grounds that said finding of fact is contrary to the weight and preponderance of the testimony taken and submitted in said cause. [39]

IV.

Object and except to the the finding of fact No. V for the reason and on the grounds that said finding of fact is contrary to the testimony taken and submitted in said cause; for the further reason and on the ground that the Referee and Special Master was without jurisdiction to hear and determine the matters set forth in said finding, or to make said finding of fact, it appearing conclusively by the record that the lands described in said finding were conveyed to one John Demas by one Miller and his wife in the year 1918, and that neither of the bankrupts have ever had any right, title or interest therein.

V.

Object and except to the finding of fact No. VI for the reason and on the grounds that said finding of fact is contrary to the testimony taken and submitted in said cause, and for the further reason

that there is no testimony in the record showing that the bankrupts had any account-book in which the account between them and John Demas was kept.

VI.

Object and except to the findings of fact No. VII for the reason and on the grounds that said finding of fact is contrary to the weight and preponderance of the testimony taken and submitted in said cause.

VII.

Object and except to finding of fact No. VIII for the reason and on the ground that said finding of fact is contrary to the weight and preponderance of the testimony taken and submitted in said cause, and that the Referee and Special Master had no jurisdiction to make said finding.

VIII.

Object and except to finding of fact No. X for the reason and on the grounds that said finding of fact is contrary to the weight and preponderance of the testimony taken and submitted in said cause.
[40]

IX.

Object and except to Conclusion of Law Nos. I, II and III made by the Referee in Bankruptcy and Special Master upon the findings of fact made and found by him, for the reason and on the ground that said conclusions and each and all thereof are not supported by the weight and preponderance of the testimony taken and submitted in said cause.

WILLIAM PACKWOOD, and
FRED W. PACKWOOD,

Attorneys for Bankrupts.

State of Oregon,
County of Baker,—ss.

Service of the foregoing objections and exceptions is hereby acknowledged at Baker, Oregon, this 3d day of June, 1922.

FORREST L. HUBBARD,

Referee in Bankruptcy and Special Master.

A. A. SMITH,

Attorneys for Creditors and for Trustee in Bankruptcy.

Filed June 6, 1922, 1:30 o'clock P. M. G. H. Marsh, Clerk. [41]

AND AFTERWARDS, to wit, on the 17th day of July, 1922, there was duly filed in said court an order of Court overruling objections to discharge, in words and figures as follows, to wit:
[42]

In the District Court of the United States for the District of Oregon.

No. B-5595.

July 17, 1922.

In the Matter of GEORGE SPIROPLOS, MILTIADES SPIROPLOS and GUST SPIROPLOS, Individually and as Copartners as GEORGE S. SPIROPLOS & BROS., Bankrupts.

Order Overruling Objections to Discharge.

This cause was heard by the Court upon objections of the Trustee herein and certain creditors to the discharge of the above-named bankrupts, and was argued by Mr. F. W. Packwood and Mr. Bert Henry, of counsel for the bankrupts, and by Mr. A. A. Smith, of counsel for the Trustee and said creditors; and the Court having considered the said objections and the testimony taken before Forrest L. Hubbard as Special Master.

It is ORDERED and ADJUDGED that said objections be and the same are hereby overruled and that said bankrupts be granted a discharge herein.

R. S. BEAN,
Judge.

Filed July 7, 1922. G. H. Marsh, Clerk. [43]

AND AFTERWARDS, to wit, on the 17th day of July, 1922, there was duly filed in said court, separate orders discharging bankrupts, in words and figures as follows, to wit: [44]

In the District Court of the United States for the District of Oregon.

No. B-5595—IN BANKRUPTCY.

In the Matter of GEORGE S. SPIROPLOS, MILTIADES SPIROPLOS, and GUST SPIROPLOS, Individually and as Copartners as GEORGE S. SPIROPLOS & BROS., Bankrupts.

Order Discharging Gust Spiroplos.

WHEREAS, Gust Spiroplos, one of the partners above named, of Home, in the County of Baker, in said district, has been duly adjudged a bankrupt, under the Acts of Congress relating to bankruptcy, and appears to have conformed to all the requirements of law in that behalf.

It is, therefore, ORDERED by the Court that said Gust Spiroplos, be discharged from all debts and claims which are made provable by said Acts against his estate, and against said partnership estate, and which existed on the 30th day of October, A. D. 1920, on which day the petition for adjudication was filed by him; excepting such debts as are by law excepted from the operation of a discharge in bankruptcy.

WITNESS the Honorable ROBERT S. BEAN, Judge of said District Court, and the seal thereof, this 17th day of July, A. D. 1922.

[Seal of the Court]

G. H. MARSH,
Clerk.

L. S. Rogers,
Deputy.

Filed July 17, 1922, at 2 o'clock P. M. G. H. Marsh, Clerk. By L. S. Rogers, Deputy Clerk.
[45]

In the District Court of the United States for the
District of Oregon.

No. B-5595—IN BANKRUPTCY.

In the Matter of GEORGE S. SPIROPLOS, MIL-
TIADES SPIROPLOS, and GUST SPIR-
OPLOS, Individually and as Copartners as
GEORGE S. SPIROPLOS & BROS., Bank-
rupts.

Order Discharging Miltiades Spiroplos.

WHEREAS, Miltiades Spiroplos, one of the
partners above named, of Home, in the County of
Baker in said District, has been duly adjudged a
bankrupt, under the Acts of Congress relating to
bankruptcy, and appears to have conformed to all
the requirements of law in that behalf.

It is, therefore, ordered by the Court that said
Miltiades Spiroplos be discharged from all debts and
claims which are made provable by said Acts against
his estate, and against said partnership estate,
and which existed on the 30th day of October, A. D.
1920, on which day the petition for adjudication was
filed by him; excepting such debts as are by law
excepted from the operation of a discharge in bank-
ruptcy.

WITNESS, the Honorable ROBERT S. BEAN,
Judge of said District Court, and the seal thereof,
this 17th day of July, A. D. 1922.

[Seal of the Court]

G. H. MARSH,
Clerk.

L. S. Rogers,
Deputy.

Filed July 17, 1922, at 2:00 o'clock P. M. G. H. Marsh, Clerk. By L. S. Rogers, Deputy Clerk.
[46]

In the District Court of the United States for the
District of Oregon.

No. B-5595—IN BANKRUPTCY.

In the Matter of GEORGE S. SPIROPLOS, MIL-
TIADES SPIROPLOS, and GUST SPIR-
OPLOS, Individually and as Copartners as
GEORGE S. SPIROPLOS & BROS., Bank-
rupts.

Order Discharging George S. Spiroplos.

WHEREAS, George S. Spiroplos, one of the partners above named, of Home, in the County of Baker in said District, has been duly adjudged a bankrupt, under the Acts of Congress relating to bankruptcy, and appears to have conformed to all the requirements of law in that behalf.

It is, therefore, ordered by the Court that said George S. Spiroplos be discharged from all debts and claims which are made provable by said Acts against his estate, and against said partnership estate and which existed on the 30th day of October, A. D. 1920, on which day the petition for adjudication was filed by him; excepting such debts as are by law excepted from the operation of a discharge in bankruptcy.

WITNESS the Honorable ROBERT S. BEAN, Judge of said District Court, and the seal thereof, this 17th day of July, A. D. 1922.

[Seal of the Court]

G. H. MARSH,

Clerk.

L. S. Rogers,

Deputy.

Filed July 17, 1922, at 2 o'clock P. M. G. H. Marsh, Clerk. By L. S. Rogers, Deputy Clerk.
[47]

AND AFTERWARDS, to wit, on the 25th day of September, 1922, there was duly filed in said court an order denying petition for rehearing on objections to discharge, in words and figures as follows, to wit: [48]

In the District Court of the United States for the District of Oregon.

No. B-5595.

September 25, 1922.

In the Matter of GEORGE SPIROPLOS, MILTIADES SPIROPLOS, and GUST SPIROPLOS, as SPIROPLOS BROTHERS, Individually and as Copartners, Bankrupts,

Order Denying Petition for Rehearing on Objections to Discharge.

This cause was submitted to the Court upon the petition of the Trustee of the above-named bank-

rupts, for a rehearing of the order of this Court overruling the objections to the discharge of the bankrupts and granting said bankrupts a discharge; and the Court having considered the said petition and being now fully advised in the premises, it is **ORDERED** and **ADJUDGED** that said petition for rehearing be and the same is hereby denied.

WITNESS the Honorable ROBERT S. BEAN, Judge of said court, and the seal thereof, at Portland, in said district, this 25th day of September, 1922.

[Seal]

G. H. MARSH,
Clerk.

By L. S. Rogers,
Deputy.

Filed Sept. 25, 1922. G. H. Marsh, Clerk. [49]

AND AFTERWARDS, to wit, on the 20th day of September, 1922, there was duly filed in said court a petition for appeal in words and figures as follows, to wit: [50]

In the District Court of the United States for the District of Oregon.

In the Matter of GEORGE SPIROPLOS, MILTIADES SPIROPLOS and GUST SPIROPLOS, Bankrupts.

Petition for Appeal.

Comes now Charles Bodeau, the duly qualified, elected and acting trustee of the estate of the

above-named bankrupts and being thereunto duly authorized, conceiving himself aggrieved by the judgment or decree made and entered in the above-entitled case on the 17th day of July, 1922, granting a discharge to the above-named George Spiroplos, Miltiades Spiroplos and Gust Spiroplos and the denial of his petition for rehearing upon said judgment or decree made and entered herein on the 25th day of September, 1922, does hereby appeal from said decree and from said order and the whole of each of said orders, judgment or decree to the United States Circuit Court of Appeals for the 9th Circuit for the reasons specified in the assignment of errors which is filed herewith.

And the said Charles Bodeau, Trustee, prays that he be allowed this appeal and that the transcript of record, papers and proceedings upon which said judgment or decree was made duly authenticated, may be sent to the United States Circuit Court of Appeals for the 9th Circuit.

A. A. SMITH,

Solicitor for Appellant.

The above petition for appeal is hereby allowed.

R. S. BEAN,

Judge of the District Court of the United States
of America for the District of Oregon.

Filed Sept. 30, 1922. G. H. Marsh, Clerk.

State of Oregon,
County of Baker.

Due service of a duly certified copy of the within [51] petition for appeal is hereby admitted, this 30th day of September, 1922.

GRIFFITH, LEITER & ALLEN,
Of Attorneys for Bankrupts. [52]

AND AFTERWARDS, to wit, on the 30th day of September, 1922, there was duly filed in said court an assignment of errors, in words and figures as follows, to wit: [53]

In the District Court of the United States for the District of Oregon.

In the Matter of GEORGE SPIROPLOS, MILTIADES SPIROPLOS, and GUST SPIROPLOS, Bankrupts.

Assignment of Errors.

Comes now Charles Bodeau, duly elected, qualified and acting Trustee of the estate of the above-named bankrupts, of Baker, in the District of Oregon, appellant, and makes and files the following assignment of errors upon which he will rely for the prosecution of his appeal from the order denying petition for rehearing, said order being made and entered on September 25, 1922, and from the orig-

inal order the same being entered on July 17, 1922, in the above-entitled cause.

I.

That the Court erred in overruling the findings of fact Nos. 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11, made by the Special Master in Chancery for the reason that the said findings of fact and each thereof were supported by the testimony presented and heard by the said Referee and that the said findings were fully supported by the testimony.

II.

That the Court erred in overruling the conclusions of Law Nos. 1, 2, and 3 made by the said Referee in Bankruptcy and Special Master for the reason that the said conclusions of law were fully supported by the testimony which was produced upon the hearing and that the said conclusions of law were fully supported by the findings of fact made by the said Referee. [54]

III.

That the Court erred in granting to the said bankrupts their discharge for the reason that the testimony produced in the case showed that the said bankrupts had wilfully concealed property, particularly gas engine mowing machine, eight head of cattle, twelve hundred posts and their ownership of one hundred and sixty acres of land.

IV.

That the Court erred in granting the discharge to the said bankrupts for the reason that the testimony in the said case showed that the said bankrupts wilfully failed and neglected to include in the

schedules filed, the property mentioned in the preceding assignment.

V.

That the Court erred in granting a discharge to the said bankrupts for the reason that the said bankrupts wilfully and purposely committed perjury in swearing to the said schedules and in the testimony taken before the said Referee.

VI.

That the Court erred in granting the discharge to the said bankrupts for the reason that the said bankrupts wilfully failed to produce their books and papers showing their transaction and particularly the transactions with one John Demas.

VII.

That the Court erred in granting the discharge to the said bankrupts for the reason that at the time of the said filing of the said schedules the said bankrupt Miltiades Spiroplos was the owner of an automobile which said automobile had within four months prior to the adjudication been transferred by the said [55] Miltiades Spiroplos to one John Demas for the purpose of granting a preference in the payment of a debt owing to the said John Demas and the said automobile was knowingly and fraudulently omitted from said schedules by said bankrupts.

VIII.

That the Court erred in granting a discharge to the bankrupts for the reason that the said bankrupts and one John Demas conspired together for the purpose of concealing assets of the said bank-

rupts and preventing the said assets coming into the hands of the trustee and the appropriation of the proceeds thereof to the benefit of the said bankrupts and that the testimony produced at the hearing fully supported the said claim and fully supported the findings made by the Referee and Special Master in Chancery.

IX.

That the Court erred in denying the petition for rehearing upon the matters alleged and set forth in the foregoing assignment of error and that the said petition for rehearing should have been granted and the said matters reopened and that upon such rehearing the decree of the Court in granting the said discharge should have been reversed and the said bankrupts refused a discharge.

In order that the foregoing assignments of error may be and appear of record the Trustee, appellant herein, presents the same to the Court and prays that such disposition be made thereof as in accordance with the law and statute of the United States in such cases made and provided and appellant prays a reversal of the said order and decree appealed from and upon which a rehearing was asked, from each and every part thereof entered by the United States District Court for the District of Oregon.

A. A. SMITH,

Solicitor for Trustee and Appellant.

Office and Postoffice Address: Shoemaker Bldg.,
Baker, Oregon.

Filed Sept. 30, 1922. G. H. Marsh, Clerk. [56]
State of Oregon,
County of Baker.

Due service of a duly certified copy of the within assignment of errors is hereby admitted, this 30th day of September, 1922.

GRIFFITH, LEITER & ALLEN,
Of Attorneys for Appellees. [57]

AND AFTERWARDS, to wit, on the 29th day of March, 1923, there was duly filed in said court a praecipe for transcript of record on appeal, in words and figures as follows, to wit:
[58]

In the District Court of the United States for the District of Oregon.

In the Matter of the Bankruptcy of GEORGE SPIROPLOS, MILTIADES SPIROPLOS and GUST SPIROPLOS, Bankrupts.

Praecipe for Transcript of Record on Appeal.

To the Hon. Geo. H. Marsh, Clerk of the Above-entitled Court.

You will please be advised that Charles Bodeau, Trustee, appellant in the above-entitled proceedings desires and requests that the following portions of the record in the above-entitled cause be included in the transcript on appeal, to wit:

I.

Schedule B-1 of the bankrupts' petition to be adjudged bankrupts and the first item in Schedule B-4, and the oath to the same, to be included with the first item in Schedule B-4 the title or heading to the same, the portion to be copied being as follows:

Schedule B-1.
REAL ESTATE.

Flick Ranch at Home, Ore., described as follows: Lot 2, W $\frac{1}{2}$ of SW $\frac{1}{4}$, SE $\frac{1}{4}$ of SW $\frac{1}{4}$ and SW $\frac{1}{4}$ of SE $\frac{1}{4}$ Sec. 15, and Lots 1, 2 and 3, and E $\frac{1}{2}$ of NW $\frac{1}{4}$ Sec. 22, all in Tp. 12, S. R. 45 E. W. M. in Baker County, Ore.

Incumbered by mortgage to First National Bank at Baker City, Oregon, for \$71000.00 Dec. 10, 1919.

This real estate mortgage was given to secure the payment of certain notes inadequately secured by chattel mortgages and covers other property hereinafter more particularly described.

20000.00

George S. Spiroplos Homestead, about six miles from Home, Ore. described as follows:

N $\frac{1}{2}$ of SW $\frac{1}{4}$, W $\frac{1}{2}$ and SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 22, E $\frac{1}{2}$ of NE $\frac{1}{4}$ and NE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 27, all in Tp. 11, S. R. 45 E. W. M., in Baker County, Ore.

Covered by mortgage above described.

Same as stated above

1000.00

Total

\$21000.00

(Signed) GEORGE SPIROPLOS.
MILTIADES SPIROPLOS.
GUST SPIROPLOS.

Schedule B-4.

Property in Reversion, Remainder, or Expectancy,
Including Property Held in Trust for the
Debtor or Subject to Any Power or Right to
Dispose of or to Charge.

Interest in land. NONE

(Signed) GEORGE SPIROPLOS.
MILTIADES SPIROPLOS.
GUST SPIROPLOS.

OATH TO SCHEDULE B.

United States of America,
District of Oregon,
County of Baker,—ss.

On this 20th day of October, A. D. 1920, before me personally came George Spiroplos, Miltiades Spiroplos and Gust Spiroplos, the persons mentioned in and who subscribed to the foregoing Schedule (marked B 1, 2, 3, 4, 5, 6,) and who, being by me first duly sworn, did declare the said schedule to be a statement of all their estate, both real and personal, in accordance with the Acts of Congress relating to bankruptcy.

(Signed) GEORGE SPIROPLOS.
MILTIADES SPIROPLOS.
GUST SPIROPLOS.

Subscribed and sworn to before me this 20th day
of October A. D. 1920.

J. L. SOULE,

Notary Public for Oregon.

My Commission expires April 29, 1921.

II.

All that portion of Trustees' Exhibit No. 14, as follows:

"To the First National Bank of Baker City, Oregon,

For the purpose of obtaining credit with you from time to time we herewith submit the following as being a fair and accurate statement of our financial condition on November 27, 1918,

DESCRIPTION OF REAL ESTATE.

J. W. Flick ranch near Home, Oregon, about 330 acres.

McWaters, 160, near Home, Oregon.

Miller Place near Home, Oregon, stands in name of John Demas, \$2,700.00.

(Signed) GEORGE SPIROPLOS.

III.

All that portion of Trustees' Exhibit No. 16, the [60] same being the Inventory and Appraisement in the matter of the estate of Nicholas Spiroplos, deceased, as follows:

Also an undivided one-fifth interest in what is known as the Miller Ranch now standing in the name of John Demas and described as follows:

E. $\frac{1}{2}$ of the NE. $\frac{1}{4}$, Section 12, Tp. 12 S., R. 44 E.,
W. M. E. $\frac{1}{2}$ of NW. $\frac{1}{4}$, SW. $\frac{1}{4}$ of NE. $\frac{1}{4}$, NW. $\frac{1}{4}$
of SE. $\frac{1}{4}$, and Lots 1 and 2, all in Section 7,
Tp. 12, S. R. 45 E. W. M. \$200.00

State of Oregon,

County of Baker,—ss.

George Spiroplos, the administrator of the estate of Nicholas Spiroplos, deceased, being duly sworn

says: That the annexed Inventory contains a true statement of all the real and personal property of the said deceased which has come into my knowledge and possession and particularly of all money belonging to the said deceased and all just claims of said deceased against the said ——.

GEORGE SPIROPLOS.

Subscribed and sworn to before me this 11th day of January A. D. 1919.

JAMES H. NICHOLS,
Notary Public for Oregon.

My Commission expires Nov. 29, 1919.

IV.

All that portion of Trustees' Exhibit 13, the same being the first semi-annual report of administrator of estate of Nicholas Spiroplos, deceased, as follows:

That the following is a true and correct copy of the Inventory and Appraisment of said estate in so far as the list of property embraced is covered to wit:

Together with other property not involved herein.

Also an undivided one-fifth interest in what is known as the Miller Ranch now standing in the name of John Demas and described as follows:

E. $\frac{1}{2}$ of the NE. $\frac{1}{4}$ of Section 12, Tp. 12 S., R. 44 E., W. M., and Lots 1 and 2, and E. $\frac{1}{2}$ of NW. $\frac{1}{4}$, SW. $\frac{1}{4}$ of NE. $\frac{1}{4}$ and NW. $\frac{1}{4}$ of SE. $\frac{1}{4}$, all in Section 7, Tp. 12 S., R. 45 E., W. M.

(Signed) GEORGE SPIROPLOS,
Administrator and Petitioner Making Report.

State of Oregon,
County of Baker,—ss.

I, George Spiroplos, being first duly sworn, say:
That I am the duly appointed, qualified and acting
administrator of the estate of Nicholas Spiroplos,
deceased, and the petitioner who [61] signed the
above and foregoing report. That I have read the
same, know the contents thereof and that the facts
therein set forth are true as I verily believe.

(Signed) GEORGE SPIROPLOS.

Subscribed and sworn to before me this 19th day
of July, 1919.

(Signed) EDWARD A. LANDIS,
Notary Public for Oregon.

My Commission expires June 5, 1921.

V.

All that portion of Trustees' Exhibit No. 18, as
follows:

"That the said property of said deceased also
consisted of an undivided one-fifth interest in and
to the real and personal property of Spiroplos
Brothers, a partnership consisting of your adminis-
trator owning an undivided one-fifth interest
therein, Milt Spiroplos owning an undivided one-
fifth interest therein, Gust Spiroplos owning an un-
divided one-fifth interest therein, James Spiroplos
owning an undivided one-fifth interest therein."

"That on or about the month of April, 1919,
Elene Spiroplos, widow of the said Nicholas Spiro-
plos, and his sole heir at law married one Nick
Palantas, and that the said Nick Palantas after his

marriage to the said Elene Spiroplos commenced to take an active interest in the affairs of the Spiroplos Brothers and for and in behalf of his said wife made frequent demands upon your administrator for a settlement of said estate and for a disposition of the share of his wife as the heir at law of the said Nicholas Spiroplos, deceased; that the said demands were unreasonable and unwarranted and impossible of performance on the part of your administrator and that he was unable to arrive at a settlement with the said Palantas of the interest of the said Elene Spiroplos in the estate of her husband and that on the 9th day of October, 1919, the said Elene Spiroplos Palantas acting under the direction of her said husband filed in this court and in the matter of said estate her duly verified petition complaining of the manner in which the estate of said deceased was being administered and alleging that large sums of money belonging to the same were not accounted for and that your administrator was attempting to defraud the said estate out of a large sum of money and in said petition so filed said petitioner prayed for a hearing on said petition and for an order requiring your administrator to file a detailed statement showing all receipts and disbursements since the death of Nicholas Spiroplos; that he be discharged as administrator and a suitable person appointed by the Court to complete the administration of said estate; that thereafter and on the 9th day of October, 1919, an order was duly given, made and entered in said matter requiring your administrator to appear before the above-entitled court on

the 27th day of October, at the hour of ten o'clock A. M. and at said time to show cause if any why he should not be discharged as administrator of said estate, and that at said time he should also show cause why he had not filed a complete statement and account of his transactions as he was requested to file in said petition; that thereafter negotiations for the settlement of all controversies between the said Elene Spiroplos Palantas and your administrator were entered into between the said Elene Spiroplos Palantas and her attorneys, Messrs. Robert F. McGuire of Portland, Oregon, and A. A. Smith of Baker, Oregon, and Messrs. John L. Rand and James H. Nichols, attorneys for your administrator, with the result that your administrator procured the services of one J. L. Soule and submitted to him all of the accounts, checks, notes, data and generally all records in his possession covering all the transactions of Spiroplos Brothers and particularly the transactions had by your administrator in connection with the administration of the individual and partnership estate of Nicholas Spiroplos, deceased, to the end and for the purpose that the said J. L. Soule might make an analysis thereof and determine the value of the interest of the said Elene Spiroplos Palantas as the heir [62] at law of the said Nicholas Spiroplos, deceased; that attached hereto and by reference thereto made a part hereof is a true and correct copy of the final analysis and synopsis made by the said J. L. Soule and showing the net value of the entire holdings of Spiroplos Brothers, of which the estate of the deceased, Nicho-

las Spiroplos, was the owner of an undivided one-fifth; that all of the data used in preparing said analysis and statement was submitted to the said Elene Spiroplos Palantas and to her attorneys with the result that on the 8th day of November, 1919, a settlement of all matters and things in controversy between said George Spiroplos and herself was had and George Spiroplos, your administrator, in his individual capacity, Milt Spiroplos and Gust Spiroplos purchased all of the right, title, interest and claim of the said Elene Spiroplos Palantas, as sole heir at law of Nicholas Spiroplos, deceased, in and to all of the personal property belonging to the copartnership of George Spiroplos, Milt Spiroplos, Gust Spiroplos, James Spiroplos and Nicholas Spiroplos, deceased, including all notes and bills and accounts receivable, demands, credits, choses in action and all personal property of the estate of Nicholas Spiroplos, deceased, and at said time the said Elene Spiroplos Palantas made, executed and delivered to the purchasers of said personal property above named her certain bill of sale conveying the property above mentioned to them; that at said time and as a part of said transaction and settlement the said Elene Spiroplos Palantas made, executed and delivered her certain deed of conveyance, her husband joining therein, conveying to George Spiroplos, Milt Spiroplos, and Gust Spiroplos all of their right, title and interest in and to all of the real property belonging to the firm of Spiroplos Brothers, consisting of what is known as the Flick Ranch, the Miller Ranch, and

the McWaters Ranch and any and all other real property which may thereafter be found to belong to said partnership.”

In statement attached to above account prepared by Soule included among assets is the following:

Miller Ranch	\$1,600.00
Mortgage	600.00

State of Oregon,
County of Baker,—ss.

I, George Spiroplos, being first duly sworn, depose and say: That I am the duly appointed, qualified and acting administrator of the individual and partnership estate of Nicholas Spiroplos; that I have read the foregoing final account and report and know the contents thereof and that the same is true as I verily believe.

(Signed) GEORGE SPIROPLOS.

Subscribed and sworn to before me this 22d day of January, 1920.

(Signed) JAMES H. NICHOLS.

My Commission expires 15/5/23.

VI.

All that portion of Trustees' Exhibit 12, as follows:

This contract made and entered into this 8th day of November, 1919, by and between Elene Palantas, the widow of Nicholas Spiroplos, who died November 8, 1918, in Baker County, Oregon, and was a full member of the firm of Spiroplos Brothers, and Nick Palantas, her husband, of Baker County,

Oregon, the party of the first part and George Spiroplos, Milt Spiroplos, Gust Spiroplos and James Spiroplos, who together with the said deceased conducted the firm of Spiroplos Brothers, doing business in Baker County, Oregon, the party of the second part and George Spiroplos, administrator of the estate of Nicholas Spiroplos, deceased, the party of the third part, WITNESSETH:

THAT WHEREAS, Nicholas Spiroplos, a member of said firm died on November 8, 1918, leaving as his sole heir at law the said [63] Elene Spiroplos, now Elene Palantas, and said firm of Spiroplos Brothers were the owners of a large amount of both real and personal property and were indebted in large sums of money at the time of the death of said deceased; and

WHEREAS, the said Elene Palantas at this time desires to sell her interest in said partnership assets and to be released from all obligations of said firm.

NOW THEREFORE in consideration of the sum of Seven Thousand (\$7,000.00) Dollars to her in hand paid the receipt of which is hereby acknowledged the said parties of the first part do hereby covenant and agree as follows:

The parties of the first part shall make, execute and deliver to George Spiroplos, Milt Spiroplos and Gust Spiroplos, parties of the second part, a good and sufficient deed conveying to said parties all the right, title and interest of the parties of the first part in and to all of the real property belonging to

said firm consisting of what is known as the Flick Ranch, the Miller Ranch and the McWaters Ranch.

(Signed) ELENE PALANTAS.

NICK PALANTAS.

MILT SPIROPLOS.

By GEORGE SPIROPLOS.

GUST SPIROPLOS.

By GEORGE SPIROPLOS.

JAMES SPIROPLOS.

By GEORGE SPIROPLOS.

GEORGE SPIROPLOS.

GEORGE SPIROPLOS,

Administrator.

VII.

All of that portion of Trustees' Exhibit 13-A, the same being a mortgage from George Spiroplos, Milt Spiroplos and Gust Spiroplos to the First National Bank of Baker, as follows:

Now, therefore, in consideration of said loan and for the purpose of securing the payment of the said several sums of money mentioned in said note and for the purpose of securing the payment of each and all of said notes above described and the faithful performance of all of the covenants herein contained the parties of the first part do hereby grant, bargain, sell and convey unto the said party of the second part its successors and assigns forever, all of that certain real estate situate in Baker County and State of Oregon described as follows, to wit:

* * * * *

East half (E.1/2) of the Northeast quarter

(NE.1/4) of Section 12, Tp. 12, S., R. 44 East of Willamette Meridian; East half (E.1/2) of the Northwest quarter (NW.1/4), Southwest quarter (SW.1/4) of the Northeast quarter (NE.1/4), Northeast quarter (NE.1/4) of the Southeast quarter (SE.1/4) and Lots 1 and 2 of Section 7, all in Tp. 12, S., R. 45 East of Willamette Meridian.

* * * * *

TO HAVE AND TO HOLD the said premises and appurtenances and waters and water right, water privileges and ditches to the said party of the second part its successors and assigns forever.

And the said parties of the first part covenant that the said George Spiroplos, Milton Spiroplos and Gust Spiroplos are the owners in fee simple of the above-described premises and that the said premises are free and clear of all liens and encumbrances save and except existing mortgages and that they will warrant and forever defend the same against the lawful claims of all persons whomsoever save and [64] except as to said existing mortgages.

* * * * *

PROVIDED, NEVERTHELESS, and this conveyance is intended to be a real and chattel mortgage upon the lands above described and personal property above described to secure the payment of each and all of said promissory notes above described.

(Signed) GEORGE SPIROPLOS.
MILTON SPIROPLOS.
GUST SPIROPLOS.

Duly and regularly acknowledged by George Spiroplos and Milton Spiroplos on December 1st, 1919, before Joseph J. Heilner, Notary Public for Oregon, and by Gust Spiroplos on the 19th day of December, 1919, before O. H. P. McCord, Notary Public.

VIII.

Trustees' Exhibit 9, as follows:

STATE TREASURER'S RECEIPT AND
STATEMENT IN DUPLICATE.

State of Oregon,
Treasury Department.

No. 14284.

Remitted by: Receipt mailed to same.

Geo. Spiroplos,

c/o First National Bank,

P. O. Address: P. O. Box 256. P. O. Address 356.

Date of Letter, Baker, Oregon.

Jan. 10, 1920.

Received from Chas. T. Miller, Baker
County, Jan. 10, 1920, the sum of Eighteen
and

\$18.00,

which has been applied as follows:

Common School, interest—Interest on note

No. 12789 to Dec. 12, 1919,

\$18.00.

Received payment,

O. P. HOFF,
State Treasurer.

Countersigned:

BEN W. OLCOTT,
Secretary of State.

STATE TREASURER'S RECEIPT AND
STATEMENT IN DUPLICATE.

State of Oregon,
Treasury Department.

No. 21061.

Remitted by: Receipt mailed to same.
Geo. S. Spiroplos,
Home, Oregon.

June 23, 1920.

355.

Received from Chas. T. Miller, Baker
County, the sum of Eighteen and \$18.00,
which has been applied as follows:

Assumed \$600.00 mortgage.

Common School, interest—Interest on note

No. 12789 to June 12, 1920 \$18.00.

\$12.00 refund enclosed by check No. 4874.

Received payment,

O. P. HOFF,
State Treasurer. [65]

Countersigned:

SAM A. KOZER,
Secretary of State.

IX.

Trustees' Exhibit 8, as follows:

GEO. S. SPIROPLOS & BROS.

Home, Oregon.

No. 219.

June 18, 1920.

Pay to the order of O. P. Hoff, State Treasurer,
\$30.00, Thirty and No/100 Dollars.

GEO. S. SPIROPLOS.

To the First National Bank, 96-28 Baker, Oregon.


X.

TESTIMONY OF GEORGE SPIROPLOS.

GEORGE SPIROPLOS, being called as a witness for the purpose of disclosing assets belonging to Spiroplos Brothers, testified as follows, beginning on page 21: That in the operation of the shearing plant that was being operated by Spiroplos Brothers they used an old gasoline engine which was returned from John Demas, the old engine being sold to Mrs. Bastian. That John Demas got the engine from Kleinschmidt, he and Chris. Coleman buying it. That George Spiroplos, two years before bought the plant from John Flick and before he bought the place Chris Coleman had a bunch of sheep. That George Spiroplos furnished the plant and everything, and Coleman and Demas furnished the engine and they all sheared together. That he did not know when the engine was purchased from Kleinschmidt, something like two or three years. That the engine was take down to the Flick place when it was first purchased and that was the first that he knew anything about it. That he did not remember the year. That the engine had since been sold to Stanfield by John Demas not very long before the testimony was taken, perhaps a month. That he did not know how much Demas got for it but he thought a couple of hundred dollars. That the engine had not been concealed down on the river bank since they had gone into bankruptcy but was right in front of the house all the time. That he had recently sold some cattle to Dan Forsea for \$260.00 and that he had deposited the money for

the [66] girls and that the cattle belonged to his little girls who inherited them from their mother.

That the mowing-machine which he sold to Forsea belonged to John Demas from the Miller Place. That when Charles Bodeau, the trustee, was on the place for the purpose of making an inventory of the property that he did not show the mowing-machine to Bodeau for the reason that it was on the Miller Place. That Demas got the mower with the place when he bought the place from Miller. That the cows and the mowing-machine were not placed in the inventory. That he did not offer to sell the mowing-machine to a man by the name of Dugger. That it was not hid in the brush at that time and that he did not make a price of \$55.00, and that he did not tell Dugger that if he wanted to buy the machine he would give him a bill of sale and date it back a year in order to avoid the bankruptcy and that he did not offer to sell it to Dugger at all, and that he talked to no one else about selling it. That he didn't know what kind of a mower it was that he sold to Forsea, didn't know what make it was, didn't know whether it was a McCormick or a different kind. That he turned the money which he received from the mower over to John Demas a short time before at his camp at Morgan Creek. He testified that the money received from the cattle was in the bank and when asked what bank replied that that was a question counsel did not need to know about because the money was spent and had been spent to buy clothes for the children. That he got the money and spent it for taking care of the



children, that he just carried it around, never used a check-book, just carried the \$260.00 around and spent it. That he didn't put it in the bank at all but that he cashed the check at the bank and got the money.

Mr. Spiroplos was later called as a witness for the purpose of discovering assets and testified as follows:

That the mower which was sold to Dan Forsea was in the field and that John Demas placed it there the previous fall. [67] That the mower was at the Miller Place about three years previously when he bought the Miller Place but that it had been brought down to the Flick ranch the year before by Demas. That he brought it down from the place some time in 1920. He didn't know just when as he wasn't there. That he saw it on the place for the first time in the spring of 1921. That John Demas told him it was on the place. That he didn't tell Dan Forsea who the mower belonged to when he sold it. Dan Forsea asked no questions. That he told Forsea he had a mower and a team and harness to sell. That he told Forsea where the mower was and that they went down and looked at it and Forsea paid \$50.00 for the mower. That he did not offer to sell this particular mower to Mr. Dugger but that he offered to sell him a different mower. That he had two mowers to sell and offered to sell Dugger another one. He denied that he told Dugger that the mower was hid away in the brush and that it was a new mower that had just been purchased and

denies that he offered to date the bill of sale back a year in order to avoid the date of bankruptcy.

He testifies that Demas owned the Miller Place, that he didn't have anything to do with it, that it belonged to Demas, and admits that Spiroplos paid for the place and that he gave the mortgage to the First National Bank on it and that he included the place in the inventory of the Nicholas Spiroplos estate as belonging to Spiroplos Brothers.

That the gasoline engine was bought after Spiroplos Brothers had bought the place from John Flick. That they had an old engine from the Flick Place but that it was too big for the shearing plant and that Spiroplos Brothers furnished the shearing plant, Chris Coleman and John Demas bought the gasoline engine and they didn't charge each other anything for the use of the plant. Spiroplos Brothers furnished the shearing plant and the other two men the gasoline engine. That he sold the engine to Gerald Stanfield for \$200.00. That he paid the \$200.00 to John Demas. [68]

Upon the hearing on the objections to the discharge, George Spiroplos again was called as a witness and beginning on page 137 of the transcript of testimony, testifies as follows: that the money which he had received from the sale of the cows which he claimed belonged to his children he had deposited in the bank to the credit of the children, but that he had it in his name at this time, the amount being something like \$400.00 and that the money was still in the bank.

That John Demas had a bunch of sheep and had

to have a home so he bought the Miller ranch, furnished the money and bought the ranch for him. This was in 1918. That Spiroplos Brothers were well fixed at that time, being worth over \$150,000.00. That just prior to that time he had bought a bunch of sheep for John Demas, coming to something like \$16,000.00. The Miller ranch had about fifteen acres of cultivated land and raised about thirty or thirty-five tons of hay. That John Demas purchased a mowing-machine to use on the Miller ranch in 1918, just after he bought the place. That in the season of 1919 he left it on the Miller Place, where it remained until the fall of the year 1920, when it was brought down to the Spiroplos ranch at Home, Oregon. That he sold the mowing-machine to Dan Forsea for John Demas for the sum of \$50.00, which he deposited in the Weiser National Bank, the deposit slip introduced in evidence of April 11, 1921, containing an item of \$150.00 is the slip representing that deposit. That some time later he gave Demas \$50.00 in cash. That he never tried to hide the mowing-machine and never moved it. That they had an old gas engine attached to the shearing plant which was sold to Mrs. Bastian. That they then made an agreement with John Demas that they would furnish the shearing plant and he would furnish the gasoline engine and they would shear the sheep together. That Demas furnished an engine. That he thought Mr. Demas ordered the engine in Baker, but that he thought it was shipped from the outside. He didn't know where from but that it was ordered through Baker.

That the engine was entered to Spiroplos and [69] charged to Spiroplos Brothers. That Demas ordered the engine himself and that he, George Spiroplos, did not order it. That George Spiroplos paid for it. That Spiroplos Brothers bought the smaller engine but that the larger engine was bought by John Demas, the smaller engine being returned by Spiroplos Brothers back to Nampa but that the last engine was ordered by John Demas through Baker but he didn't know where shipped from. That they paid \$2,800.00 for the Miller land, that is, \$2,200.00, and assumed the mortgage to the State Land Board for \$600.00. On page 151 he testifies that John Demas paid Spiroplos Brothers in full in 1919, 1918, the fall of the year some time, didn't remember what month. Later he stated the date to be in 1919 and that after the settlement made in 1919 John Demas did not owe Spiroplos Brothers anything except for some small store bills. That the engine was sold to Gerald Stanfield for \$200.00 and that George Spiroplos got the money for the sale. He deposited the money in the bank to his own credit but claims that he turned over in cash this amount to John Demas some time later. The money being deposited in the Weiser National Bank. The engine being sold in March or April, 1921. Trustees' Exhibit 4, a deposit slip representing a deposit of \$225.00 includes one of the payments made upon the gas engine. That he paid John Demas \$200.00 some time in June.

On cross-examination he testifies that he thinks the settlement with John Demas was made after

the death of Nick Spiroplos, which occurred on November 9th, 1918, but that he wasn't sure, he thought it was six or seven months afterwards. That the thing that brought about a settlement was the fact that the First National Bank had credited to Spiroplos Brothers a deposit of \$5,300.00 which should have been credited to John Demas. That the \$5,300.00 represented the sale of the 1919 lamb crop some time in June, May, June or July. His best recollection that it was in June. That at the time the settlement was made with the widow of his brother in closing up his brother's estate the item wrongfully credited by the bank was charged up as a [70] liability against the estate. That the settlement with Demas was some time in the spring of 1919. That he was positive it was in 1919 in the spring after the wool was sold in May or June. That he was certain it came in those two months. That he thought the settlement took place at Home, Oregon. That when the settlement was concluded it was found that the books balanced. He didn't owe Demas and Demas didn't owe him. It just evened up in May, 1919. Demas didn't pay him anything and he didn't pay Demas anything. That later the lambs were sold and the bank made the deposit above referred to and that accounted for the fact that this item was charged up against the estate. It should be recalled that he testified previously that the credit made by the bank was the thing that brought about the settlement. He denied that he bought the gas engine himself and that Virgil Daniels the salesman for the Klein-

schmidt Hardware Company sold the engine to him. He admitted that Daniels had been down to his place and interviewed him trying to sell him the engine. That he came to Baker himself and closed the transaction some time in April, 1919, and the engine when shipped was charged to the account of Spiroplos Brothers. That he did not tell the Kleinschmidt Hardware Company to charge the engine to his account because he wasn't there and that he didn't buy it. That he paid for it but he didn't buy it. That Virgil Daniels lied when he said that the witness came in and bought the engine and that the witness was the only man that was ever talked to about the sale. Witness then testified that Spiroplos Brothers ordered the first engine and they did buy the engine in the first place, which was the engine turned back to the Kleinschmidt Hardware Company and that John Demas ordered the second engine which was shipped to Spiroplos Brothers and charged to Spiroplos Brothers and paid for by Spiroplos Brothers. That he was unable to produce anything to show that John Demas has ever made a settlement [71] with Spiroplos Brothers in which this engine was paid for by him and that he had known about the hearing for a month. That he doesn't remember any of the items in the settlement that was made at any time or any amounts that were paid. He testifies the checks which had previously been introduced in evidence as the checks paid him for the engine. They were offered in evidence at this time

and were marked Trustee's Exhibit 19, and Trustee's Exhibit 20 and are as follows:

TRUSTEE'S EXHIBIT 19.

R. N. Stanfield. Stanfield, Ore.

Ontario, Oreg., Apr. 23, 1921.

Pay to the order of George Spiroplos, \$75.00
Seventy-five and no/100 dollars.

United States Nat'l, Vale, Oregon.

G. E. STANFIELD,

By IVY M. LANDIS.

TRUSTEE'S EXHIBIT 20.

Bal. in Full on Shearing Plant,
Chge. Equipment.

No. 30892.

R. N. STANFIELD,

Dealer in Livestock.

Sheep a Specialty.

Weiser, Ida., 5/4, 1921. \$225.00.

Pay to the order of Geo. Spiroplos, Two Hundred
twenty-five and no/100 Dollars.

Value received and charge to account of

K. W. KIVETT.

To R. N. STANFIELD,

Weiser, Ida.

He claims to have paid Demas the \$200.00. Some time in June, he didn't know at what place, at some sheep camp right after shearing and paid him in cash. That he took no receipt even tho he knew that the gas engine transaction was being investigated at the time. That he had testified before the referee on the 26th of May at which time the

gas engine was a matter of inquiry but that he took no receipt from Demas for the payment of the \$200.00. On page 167 witness testifies that Spiroplos Brothers owned the Miller Ranch until some time in May 1919, holding it on account of money which John Demas owned but [72] that they didn't own it after May. That he didn't read the report which was filed by him as administrator on July 21st, 1919, in which statement was made that the Miller Ranch was an asset of Spiroplos Brothers. That he paid the interest on the mortgage on the Miller Ranch for 1919 and 1920. That he didn't remember seeing Trustee Exhibit No. 14, the statement made to the bank which included the Miller Ranch as an asset but that it was his signature appearing on the statement. He denies that he ever made any statement to Mr. Pollman about the Miller Ranch or the reason that it was taken in the name of John Demas. He later admits on page 171 that he told Pollman he wanted to buy the land so that Demas could have a home and be able to put his sheep on reserve and that was why he was buying the land in Demas' name. That Demas paid the \$2,200.00 which had been advanced by Spiroplos Brothers in 1919 some time in May. This was 1919. He admits that they gave a mortgage to the First National Bank in which the Miller land was included. That the signature on the mortgage was genuine.

That the mowing-machine was purchased by John Demas in 1918 some time in the spring but that he did not know what month. That when

he testified previously that the reason he didn't point out this mowing machine to Charles Bodeau was because it was then on the Miller place and not on the Flick place where Charles Bodeau was and that John Demas got the machine with the Miller place when he bought that place. That there was some mistake. That Demas did not buy it with the Miller place and that when he so testified previously he was mistaken. That there was no mower with the Miller place when he (George Spiroplos) bought it. That there was no old mower with the Miller place when Spiroplos bought it and that he made a mistake when he so testified. That he got mixed up between the McWaters place and the Miller place. That when they bought the McWaters place they got an old mower. That Demas had no interest in the McWaters place whatever. That there never was an old mower on the Miller place. [73]

On redirect examination this witness testified that the reason the Miller land was included in the inventory was because it had not yet been paid for by Demas. That the inventory was prepared in the handwriting of Mr. James H. Nichols, one of the attorneys for administrator of the estate. That he explained to Mr. Nichols about the money that Demas owed on the place. That he didn't remember just how it was explained but that it was explained fully to Mr. Nichols and as a result the land was placed in the inventory. That he told the bank when he signed the mortgage that the Miller land did not belong to him and that John Demas owned

it but in spite of that the bank put it in the mortgage and he signed it. That his attorneys Mr. Rand and Mr. Nichols prepared the contract of settlement between him and Elene Palantas in both of which statements were made that Spiroplos owned the Miller Ranch. That in all of the transactions Mr. Rand and Mr. Nichols were acting as attorneys for the witness. On examination by the Special Master witness testified that at the time the mortgage was given to the First National Bank the bank knew that Demas did not owe anything to Spiroplos Brothers and that Spiroplos Brothers got all of the money that was borrowed at the time the mortgage was given and that all of the money went to Spiroplos Brothers.

At this time a recess was taken. After the recess was taken witness was placed on the stand and testified that the settlement which Spiroplos Brothers had with John Demas was in 1918, a short time after they had bought the Miller place and at that time the land was settled for and Demas paid Spiroplos Brothers for it and that he was mistaken when he previously testified that the settlement was in 1919. On cross-examination he testified that all matters between him and John Demas were settled up at that time and from that time on John Demas financed himself except some supplies that he purchased and which he occasionally charged up to Spiroplos Brothers and that some time [74] in 1918 he practically financed himself. That the settlement was made by the witness' brother Nick who was living at the time and Nick made the set-

tlement in the bank. That there was a check passed from Spiroplos to Demas or from Demas to Spiroplos but witness did not remember which. That after the settlement made in 1918 Spiroplos Brothers had no interest in the land but that he put the land in the inventory of the Nick Spiroplos estate and gave a mortgage to the First National Bank.

Mr. John Demas was called as a witness on behalf of the bankrupts in connection with an examination to disclose assets of bankrupts on June 7, 1921. This testimony by stipulation being incorporated into and made a part of the record at the hearing of objections to discharge of bankrupts. On page 57 Demas testifies as follows:

That he had been connected with Spiroplos Brothers for the years 1916 to 1918, at which time he paid all of his debts and after that time he took care of himself and that after 1918 he financed his own operations. That he and Chris Coleman bought the gasoline engine, George Spiroplos owning the shearing plant. That George promised to furnish the shearing plant and he and Chris Coleman furnish the gasoline engine and that he bought the gasoline engine in 1919 from Kleinschmidt Hardware Company, paying \$300.00, using his own money to pay for it. That he told George Spiroplos to sell the gasoline engine for him about the 1st of May, 1921. That he talked to D. W. Dugger about a mower that George Spiroplos was trying to sell to Dugger and that when he talked to Dugger he thought that George was trying to sell Dugger an old mower that was on the Miller place

but that he knew that the mower that Dugger was trying to buy and the mower that he was talking to Dugger about was the mower that he, Demas, owned, and that he found out afterwards that the mower George was trying to sell to Dugger was the mower that he claimed [75] to have written to George to sell. That he bought the gas engine in 1919 some time in the early part of April. That he paid cash for his share and Chris Coleman paid for his share by check. *That he and Chris Coleman bought it together and he paid cash and Chris Coleman paid check and that afterwards Chris Coleman turned his interest over to him, Demas and had no more interest in it.*

At the close of this testimony counsel for bankrupts asked whether or not there would be any claim that the money which had been furnished by Spiroplos to purchase the Miller place had not been repaid because if there was such claim bankrupts desired to call the officers of the First National Bank of Baker to show that the land was purchased for Demas and that Demas owned it.

Counsel for Trustee notified counsel for bankrupts that the claim would be made that the Miller place was the property of the bankrupts and should have been included in the schedule of assets.

Mrs. McBIRNEY having been called as a witness to testify on behalf of the Trustee on the hearing on objections to discharge, testified as follows:

That she resided at Nampa, Idaho, and during the year 1919 was bookkeeper for the Eastern Oregon Hardware Company which had previously

been doing business as the Kleinschmidt Hardware Company. That the original notation of charges was made by salesmen and that she transferred from the sales slips to the books of the Company on the day that the sale was made. The transfer to the customer's ledger being made on the first of each month. Witness identified slips exhibited to her as entries made by her on the books of the company charging the account of Spiroplos Brothers. These slips were offered in evidence and marked as Trustee's Exhibit 2 and are in words and figures as follows: [76]

TRUSTEE'S EXHIBIT 2.

April

SPIROPLOS BROTHERS.

Home, Oregon.

40	2 Express .....	.85
41	2-32x4 Federal Tires)	
	1-28252) 57.45	114.90
	1-20379)	
	2-Buckets	1.10
	2-Buckets	1.30
	12- 3/8 x 2 1/2 Bolt .....	.39
	12- 3/8 x 3 " .....	.42
	12- 7/16 x 3 1/2 " .....	.54
	12- 5/16 x 4 1/2 .....	.42
	12 Plow Bolts .....	.60
	1 bucket .....	.60
	1 wrench .....	.50
62	3 647 Alfalfa Seed \$25.00 per 100.....	161.75

130	7	6-	410	Raw Hide pinions	16.50
		12-	406	strings .....	.72
		1-	403	Clutch Lever	1.10
		1-	412	Clutch Spindle	1.65
		3-	429-C	Yoke $\frac{1}{2}$ S	6.60
		1-	411	Long Spindle	1.10
		2-	416	Short Spindle	2.20
		24-	432	Joint Cogs	15.84
		12	D	Joint Guards	2.04
				Parcel Post .....	.35
151	7	1-6		H. P. Alamo Engine	270.20
				Frt. Baker to Home	8.25
		1-2		Glass oil cup	3.25
		1-3		" " " "	3.75
		1-14		Pipe wrench 2.50 postage .10....	2.60

Forward 619.52

April 9.

SPIROPLOS BROS.

Home, Oreg.

				Forward	619.52
274	17	2 doz.	50	Tea spoons	4.00
		$\frac{1}{2}$ doz.		table spoons	1.75
		2 set		knives and forks	7.00
		1		knife	7.00
		1 doz.	2	oiler	3.00
		15	Gal.	P. M. Oil	14.70
		1-15	Gal	drum	3.00
		5	cup	grease .....	.65
		1	kettle	2.00; 1 kettle 2.75	4.75
		2	bx.	22 shorts .....	.60
		12		Tea cups and saucers	4.50

	12 Coffee cups and saucers	5.50
	1 28 Wash Basin .....	.40
	3 30 Wash Basin	1.50
	4 vegetable dishes	2.80
	1 bucket	1.25
	1 bucket .....	.60
	1 pitcher	3.50
	6 plates	1.25
275	17 6 pkg. garden seed .....	.90
	14 pkg. garden seed	1.05
	3 pkg. flower seed .....	.30
[77]		
322	19 prepaid freight	2.47
356	21 1-9 H. P. Alamo Engine	453.00
	Freight	27.50

1166.39

Witness was then handed the ledger of the Kleinschmidt Hardware Company to which the items found on Trustee's Exhibit 2 were posted. On page 31 of this ledger under the letters "SI" was found the account of Spiroplos of Home, Oregon, and that this contained the items found on Exhibit 2 transferred on the 30th of April 1919. Page 33 of the ledger is a continuation of the Spiroplos account found on page 31. These two ledger sheets were offered in evidence, admitted and marked as Trustee's Exhibit 3. The portion of those sheets showing the charge for the items in Trustee's Exhibit 2 is as follows:

Date	Description	Folio	Debits	Date	Description	Folio	Credits
8/31	Mdse.	B. B.	5.32	12/19	C. B.	35	491.60
0/31	"	" "	47.35	12/20		J145	25.07
1/30	"	" "	387.70				
1/30	" to John S.	2 B	5.60				
9/30	" " Geo. S.	10 B	13.25				
0/31	" " Milt S.	27 B	57.45				
			516.67				516.67
2/30		B. B.	19.70	2/6	C. B.	43	184.60
1/31		" "	174.94	"/10	J 1	149	10.04
2/28		" "	35.89	3/10		J154	41.25
3/31		" "	70.32	4/21		J159	278.45
4/30		" "	1166.39	7/8		J169	13.18
5/31		" "	98.39	"/"		70	1058.23
7/31		" "	147.05				
8/30		" "	44.10				

That item 151 shown on Exhibit 2 is a six horsepower Alamo Gas Engine sold to Spiroplos Brothers for \$270.20 shipped to Spiroplos Brothers through the P. & O. Plow Company from Nampa, Idaho. That the item of \$278.45 shown on the credit side of the account under date of April 21st, represents the return [78] of the six-horsepower engine and upon its return credit for that amount was given which included the purchase price and freight charges. That the item in Exhibit No. 2 charged under date of April 29, was a nine-horsepower Alamo engine which was shipped by the company to Spiroplos Brothers. Witness is handed a check in the sum of \$1,058.23 which she testifies as having been paid to the Eastern Oregon Hardware Company by George Spiroplos which was paid to that Company in settlement of the account of Spiroplos Brothers and that this is the same item that appears in the ledger of that company as a credit in that sum of money and that the payment of that

sum of money paid up Spiroplos Brothers account in full. This check was offered in evidence and marked as Trustee's Exhibit 4, and is as follows:

GEORGE SPIROPLOS. 3029

Dealer in Sheep.

Home, Oregon, July 8, 1919. No. 223.

Pay to the order of the Eastern Oregon Hardware Co. \$1,058 23/100, Ten Hundred Fifty Eight 23/100 Dollars.

GEO. S. SPIROPLOS.

To the First National Bank,

96-28

Baker, Oregon.

Hardware Supplies.

Witness identifies an account carried by John Demas with the Eastern Oregon Hardware Company. This account was introduced in evidence and received as Trustee's Exhibit 5, and extends from the 15th of March 1918, to the 30th of August 1919. There is no gas engine charged on the account. The aggregate of all debit items is \$83.20 covering the entire period of time.

V. E. DANIELS, called as a witness in behalf of the Trustee testified as follows:

That in the month of April, 1919, he was salesman for the Eastern Oregon Hardware Company, formerly the Kleinschmidt Hardware Company and that as salesman he talked to George Spiroplos in connection with the sale of a gas engine. That [79] this was in the spring of 1919 prior to the 7th day of April. That he discussed the sale of the gas engine with George Spiroplos and with no one else. That he went down to the ranch of Spiroplos Broth-

ers on Snake River for the purpose of selling a gas engine. That a sale was later made to George Spiroplos of a six-horsepower Alamo gas engine which was shipped from Idaho through the P. & O. Plow Company, the sale being made by him on behalf of the Eastern Oregon Hardware Company, which Company subsequently sold out and was dissolved the books having been placed in the possession of Nichols & Hallock a firm of attorneys at Baker. That he had made a search of the records to find the original sales slip but that it had been lost in closing up the affairs of the company. On cross-examination he testified that the first engine sold was a 6-horsepower engine which was sent down to Spiroplos Brothers and returned. That later a 9-horsepower engine was sent.

Mr. D. W. DUGGER was called as a witness on behalf of the Trustee and testified as follows:

That he lived on Hibbard Creek about four miles from Snake River and about six miles from Home, Oregon. That he was acquainted with George Spiroplos and with John Demas. That he lived on what is known as the McWaters place on Hibbard Creek, which at one time was owned by Spiroplos Brothers. That about the 31st of March, 1921, he had a conversation with George Spiroplos relative to the purchase of the mowing-machine, this conversation taking place on the Flick place or the Spiroplos place. That at that time Spiroplos asked him if he wanted to buy a mower or sulky plow and he replied that he didn't need a plow but he needed a mowing-machine and

asked Spiroplos what kind of a mowing-machine he had for sale. Spiroplos answered that it was a McCormick and had been run one season and that he asked Spiroplos if it was on the schedules of property turned in by Spiroplos in his bankruptcy proceedings and Spiroplos [80] replied no. That Spiroplos told Dugger that he would sell Dugger the mowing-machine and give him a bill of sale and date it back a year so that there would be no conflict with the bankruptcy proceedings That he asked Spiroplos if he might look at the mowing-machine and Spiroplos replied that he had it put away in the brush. That this conversation took place on the road just in front of the house on the Flick place. That at that time there were two old mowers standing near the barn and that the mower which Spiroplos proposed to sell to him was neither of the two standing by the barn. That Spiroplos did not tell him the exact place where the mower was but told him that Spiroplos had it hid in the brush. That he was afraid to buy the mower just that way and he came to Baker and went to see the banker and was directed to see the Trustee in bankruptcy. That he went to see the Trustee in Bankruptcy relative to the matter. That he did not buy the mower. That the reason he asked Spiroplos as to whether or not this was in the list of property that had been turned in by Spiroplos at the time of his bankruptcy was because at another time he was considering purchasing a horse from Spiroplos and asked Mr. Baker a neighbor of his if it was safe to buy the horse from Spiroplos

and Mr. Baker told him that it depended on whether or not the horse was named in the list and asking Mr. Baker what list he meant was told that at the time of the bankruptcy the bankrupt had to make out a correct list of all his property and turn it into the court. That he presumed the reason that Spiroplos tried to sell him the mower and offered to date back the bill of sale was because he, Spiroplos, knew that Dugger needed a mower on his place and that it was a chance to sell it.

That John Demas stopped at his place shortly subsequent to the time of the conversation between witness and Sporoplos and told witness that he was talking about things that didn't concern his business and didn't hurt him any which witness thought was in reference to the fact that the witness had come [81] to Baker to find out about the right of Spiroplos to sell the mower and Demas told witness that the mowing-machine which Spiroplos was trying to sell to witness belonged to Demas. That when he, Demas, bought the Miller place two years before, the mowing-machine went with the place and that he loaned the mowing-machine to George Spiroplos and that he took it down on his place and never returned it.

Mr. H. P. SWISHER, called as a witness on behalf of the Trustee, testified as follows:

That he lived on Hibbard Creek and was in the cattle business and had a small ranch on that creek. That he was acquainted with George Spiroplos for about three or four years. That he knew where the Miller place was. That in May, 1921, he bought

some posts from Spiroplos which were on the Miller place for which he agreed to pay twelve cents apiece or to replace them and that he got 216 posts. That the posts were near the Miller place and had been cut for three or four years, juniper posts. On cross-examination he testified that he didn't know who had occupied the Miller place the year previous. That there was no one living there but that there had been sheep on the place in the spring, the sheep belonging, he supposed, to George Spiroplos. That he didn't replace the posts that he would have to pay for them and that he expected to pay George Spiroplos. That the posts were on the Miller place prior to the time that it was purchased and that they were cut on the Miller place.

Mr. D. L. FORSEA was called as a witness on behalf of the Trustee and testified as follows:

That he lives on Mr. Baker's ranch on the Flick place. That in March, 1921, he bought some cattle from George Spiroplos paying him \$260.00. That he bought three cows, a steer, two yearlings and two calves. George Spiroplos sold the cattle to him and that he paid George Spiroplos with a check. The check was [82] identified by the witness, offered in evidence as Trustee's Exhibit 6, and is as follows:

Baker, Oregon, 3-18, 1921. No. —.
BAKER LOAN AND TRUST COMPANY—96-30

Baker, Oregon.

Pay to the order of Geo. S. Spiroplos \$260.00,
Two Hundred Sixty and no/100 Dollars.

D. L. FORSEA.

That later he bought a team, harness and a mowing-machine for which he paid \$150.00. That he bought this property from George Spiroplos and paid George Spiroplos with a check. The check was identified, offered in evidence and marked as Trustee's Exhibit 7, and is as follows:

Baker, Oregon, April 11, 1921. No. —.
BAKER LOAN & TRUST COMPANY—96-30,

Baker, Oregon.

Pay to the order of Geo. Spiroplos \$150.00, One
Hundred Fifty and no/100 Dollars.

D. L. FORSEA.

That the mower was a five and a half foot cut McCormick mower. That at the time he bought it it was at the lower end of the field on the river bank below the bank in a clump of trees. That where the mower was is a big bank which you went around to get to the mower. There was a big bunch of brush on the side of the mower and that in getting to the mower you went in a northeasterly direction from the buildings and had to go north of the big bank to get to the mower. That he saw the mower there the day he bought it. That there is no farming land where the mower was but there is farming land above the mower. That there is no farming land between where the mower was and the

river and none below the bank behind which the mower was found. [83]

Mr. J. L. SOULE, called as a witness on behalf of the Trustee, testified as follows:

That he had been employed by Spiroplos Brothers for some time previous to their bankruptcy and had supervision over their books. That he turned over to the Trustee in Bankruptcy all of the books and records of Spiroplos Brothers that he had in his possession. That there was one book which was kept by George Spiroplos and which contained certain information about the business of Spiroplos Brothers which was not with the books turned over by him to the Trustee. That the last he saw this book it was in possession of George Spiroplos.

The witness identified a check given June 18, 1920, by George Spiroplos to O. P. Hoff in the sum of \$30.00 which was paid by George Spiroplos to O. P. Hoff to cover the interest on the mortgage on the Miller land and that with the check was a receipt from Hoff to Spiroplos for the payment of the land. The two instruments were attached together introduced in evidence and marked as Trustee's Exhibit 8.

Witness identified receipt No. 14284 issued by the state treasurer which was a receipt for a remittance made by George Spiroplos to the state treasurer for interest on mortgage on the Miller land the receipt being dated January 10, 1920. The same was offered in evidence and marked as Trustee's Exhibit 9. On cross-examination this witness testified that the book which had not been produced was an old ledger in which Spiroplos assigned a page to

each man, where he wrote down the time that work was started and the rate of pay and that it contained numerous data of various kinds and that practically every transaction that witness asked information about Spiroplos would find some memorandum in the book.

At the close of this witness' testimony after he had been made a witness on behalf of the bankrupts for themselves counsel excused himself in order that he might make up a statement showing from the records and the books of the bankrupts the amount of money [84] that had been paid to the bankrupts by Demas. When this witness was recalled he testified that there was a settlement between Spiroplos Brothers and John Demas in 1918, which was shown by records which he examined at the time that he made up a statement of the accounts of Spiroplos Brothers in 1919 in connection with the settlement with the widow of Nick Spiroplos and that at the time of the death of Nick Spiroplos there was nothing against John Demas on the books of Spiroplos Brothers. At that time Demas owed the bank all of the moneys that he was chargeable with. That the record showed that all indebtedness which Demas had owed Spiroplos Brothers was paid up in full.

The Trustee offered in evidence Trustee's Exhibit No. 10, which was a mortgage by Chas. T. Miller and wife to the State of Oregon in the sum of \$600.00 on the following described premises:

East half (E.1/2) of the Northeast quarter
(NE.1/4) of Section 12, Tp. 12 S., R. 44, Lots 1

and 2 and the East half (E. $\frac{1}{2}$) of the Northwest quarter (NW. $\frac{1}{4}$), the Southwest quarter (SW. $\frac{1}{4}$) of the Northeast quarter (NE. $\frac{1}{4}$), Northwest quarter (NW. $\frac{1}{4}$) of the Southeast quarter (SE. $\frac{1}{4}$) Section 7, Tp. 12 S., R. 45 E., W. M.

Mortgage was given on April 15th, 1915.

Trustee offered in evidence Trustee's Exhibit No. 11, a deed from E. Palantas and husband to George Spiroplos, Milton Spiroplos and Gus Spiroplos, covering in addition to other premises the following:

East half (E. $\frac{1}{2}$) of the Northeast quarter (NE. $\frac{1}{4}$) of Section 12, Tp. 12 S., R. 44 E., W. M. East half (E. $\frac{1}{2}$) of the Northwest quarter (NW. $\frac{1}{4}$), Southwest quarter (SW. $\frac{1}{4}$) of the Northeast quarter (NE. $\frac{1}{4}$), and the Northwest quarter (NW. $\frac{1}{4}$) of the Southeast quarter (SE. $\frac{1}{4}$) and Lots 1 and 2 of Section 7, Tp. 12 S., R. 45 E., W. M.

The said deed being dated November 8th, 1919, and being a warranty deed.

Mr. A. A. SMITH called as a witness on behalf of the Trustee, testified as follows:

That at the time the settlement was made between Mrs. Palantas that Mr. Soule was employed by George Spiroplos to prepare a statement of the assets of indebtedness of Spiroplos Brothers, and that in the statement prepared by Soule was included the Miller ranch. That George Spiroplos and Milt Spiroplos both saw the statement and went over it with witness and Mr. Soule. That the

[85] statement included the Miller ranch with a valuation of \$3,000.00 and that in arriving at the amount of money that Mrs. Palantas was entitled to be paid in settlement of her deceased husband's estate which was a portion of the Spiroplos Brothers property, the Miller ranch was considered as an asset belonging to Spiroplos Brothers. That the inventory prepared at the request of George Spiroplos, the administrator of the estate, contained the Miller ranch. On cross-examination this witness testified that at the time of the settlement the Miller ranch had not been mortgaged to the First National Bank. That the sheep belonging to John Demas nor any mortgage on them was considered as an asset of Spiroplos Brothers but that in the settlement it was agreed that Spiroplos Brothers owed John Demas the sum of \$5,000.00 on account of a wrongful credit of a deposit made by the bank.

Mr. CHAS. BODEAU, the Trustee, as a witness on behalf of himself, was called and testified as follows:

That after his election as Trustee he went down to the Spiroplos Brothers' ranch to make an inventory of the property owned by them. That he conferred with George Spiroplos. That subsequent to that time he had had some information about a mower that had not been put in the inventory. That he asked George if there wasn't a new mower on the place. When he made up his inventory he had found only two old mowers. That he asked George if there wasn't a third mower on the place and George replied to him if there was he didn't know

anything about it and he then asked George if there wasn't a new mower there and George said there was not. That the only gas engine that was pointed out was a one-horsepower engine and that no mention was made to him by George Spiroplos about a larger engine. Nothing was said to him about posts. That he inventoried the shearing plant. That he didn't go clear up to the shearing sheds but he asked George if there was anything else up there and George said there was not. That George told him there was no gas engine belonging to the shearing plant. That there was [86] no engine with it.

Mr. WILLIAM POLLMAN was called as a witness on behalf of the Trustee and testified that he was president of the First National Bank and of the Baker Loan and Trust Bank. That he had known George Spiroplos since about 1912. That he knew Milt Spiroplos. That most of the dealings had been with George Spiroplos. That he also knew John Demas five or six years. That Spiroplos Brothers gave to the bank their first mortgage in 1918 and a second one in December, 1919. That the Miller ranch was included in the mortgage given to the bank in 1919. The mortgage was offered in evidence and marked as Trustee's Exhibit No. 13a. The witness also identified a statement covering assets of Spiroplos Brothers which was introduced in evidence and marked as Trustee's Exhibit 14.

That the bank paid the taxes on the Miller land for the year 1920. That about the time the Miller land was purchased the matter was discussed with

him by George Spiroplos. That George Spiroplos was going to buy the land in the name of John Demas so that John Demas could get a reserve right as an owner of lands. That Demas was running sheep at the time on which the bank had a mortgage. That an attempt was made to get on the reserve on the basis of the ownership of the lands but that the right was never allowed by the Government. That the land was not purchased by Demas. That George Spiroplos told him that he was buying the land and was buying the land for himself and that he deeded it to Demas simply to enable Demas to get forest reserve rights and that this conversation came up at the time that George Spiroplos borrowed the money to buy the land. That George Spiroplos had never prior to the time of the bankruptcy **made any claim** or any statement that this land belonged to John Demas.

Upon agreement of counsel the Special Master made a statement to the effect that on June 22, 1921, upon the motion of the [87] attorney for the Trustee the Referee made an order directing the bankrupts to turn over to the Trustee all books of account and other memoranda touching the business heretofore conducted by the bankrupts either as individuals or as partners, a copy of the order being mailed on that date to Spiroplos Brothers at Home, Oregon.

JOHN DEMAS was called as a witness on behalf of the bankrupts and testified that Spiroplos Brothers had the shearing plant and that he had sheep and was shearing them down on their place

and that they made an agreement that Spiroplos Brothers should furnish the shearing plant and he would furnish the engine and he then had Spiroplos Brothers to order the engine and they ordered it and it came. That they bought it and paid for it in the first place and he then settled with them. That he did not order it himself but that Spiroplos ordered it and that he didn't know where they ordered it from or from where it came but that Spiroplos Brothers ordered it and he paid for it. That he had a settlement in 1918 and after that he didn't owe Spiroplos anything. On cross-examination he testified that the settlement which he had with Spiroplos Brothers was in June or July 1918. That at the time of the settlement which took place at the First National Bank, at Baker, he was not present and that he never got together with Nick Spiroplos or George Spiroplos and went over the different accounts. That he was satisfied to take whatever figures Spiroplos Brothers had and accepted their settlement.

That he had nothing whatever to do with the negotiations for the purchase of the gas engine except that he told Spiroplos Brothers to buy the gas engine for him. That he didn't see any member of the sales force of the Kleinschmidt Hardware Company and that he did not himself buy the engine but that the entire transaction was handled by Spiroplos Brothers. [88]

We also desire to have copied in the transcript specifications Nos. 3, 4, 5, 6, 7, and 9 and the answer of the bankrupts, together with the findings of the

Special Master and the objections to findings of Special Master and the order of the Court setting aside the findings of the Special Master and granting the discharge.

A. A. SMITH,
Attorney for Trustee and Appellant.

State of Oregon,
County of Baker,—ss.

Service of a duly certified copy of the foregoing praecipe is admitted at Baker, Oregon, on this 27th day of March, 1923.

PACKWOOD and PACKWOOD,
Attorneys for Bankrupts.

Filed March 29, 1923. G. H. Marsh, Clerk.
[89]

AND AFTERWARDS, to wit, on the 12th day of April, 1923, there was duly filed in said court a statement of the evidence, in words and figures as follows, to wit: [90]

In the District Court of the United States for the District of Oregon.

IN EQUITY—No. —.

In the Matter of the Bankruptcy of GEORGE SPIROPLOS, MILTIADES SPIROPLOS and GUST SPIROPLOS, Bankrupts.

Statement of Evidence Under Equity No. 75.

It is stipulated that all testimony taken in connection with proceedings held before the Referee

for the purpose of discovering assets belonging to the bankrupts and touching any of the matters covered by objections to discharge should be included in the testimony taken at the hearing and should be considered the same as if it had been given at the time of the hearing.

Testimony of George Spiroplos, for the Bankrupts.

GEORGE SPIROPLOS, one of the bankrupts, was called as a witness at the hearing to discover assets and testified as follows:

That in the operation of the shearing plant which was operated by Spiroplos Brothers they used an old gasoline engine which was returned from John Demas, the old engine being sold to Mrs. Bastian. That John Demas got the engine from Kleinschmidt, he and Chris Coleman buying it. That George Spiroplos, two years before bought the plant from John Flick and before he bought the place Chris Coleman had a bunch of sheep. That George Spiroplos furnished the plant and everything and Coleman and Demas furnished the engine and they all sheared together. That he did not know when the engine was purchased from Kleinschmidt, something like two or three years. That the engine was taken down to the Frick place when it was first purchased and that was the first that he knew anything about it. That he did not remember the year. [91] That the engine had since been sold to Stanfield by John Demas not very long before the testimony was taken, perhaps a month. That he did not know how much Demas

got for it but he thought a couple of hundred dollars. That the engine had not been concealed down on the river bank since they had gone into bankruptcy but was right in front of the house all the time. That he had recently sold some cattle to Dan Forsea for \$260.00 and that he had deposited the money for the girls and that the cattle belonged to his little girls who inherited them from their mother.

That the mowing-machine which he sold to Forsea belonged to John Demas from the Miller place. That when Charles Bodeau, the Trustee, was on the place for the purpose of making an inventory of the property that he did not show the mowing-machine to Bodeau for the reason that it was on the Miller place. That Demas got the mower with the place when he bought the place from Miller. That the cows and the mowing-machine were not placed in the inventory. That he did not offer to sell the mowing-machine to a man by the name of Dugger. That it was not hid in the brush at that time and that he did not make a price of \$55.00 and that he did not tell Dugger that if he wanted to buy the machine he would give him a bill of sale and date it back a year in order to avoid the bankruptcy and that he did not offer to sell it to Dugger at all and that he talked to no one else about selling it. That he didn't know what kind of a mower it was that he sold to Forsea, didn't know what make it was, didn't know whether it was a McCormick or a different kind. That he turned the money which he

received from the mower over to John Demas a short time before at his camp at Morgan Creek.

He testified that the money received from the cattle was in the bank and when asked in what bank replied that that was a question counsel did not need to know about because the money was spent to buy clothes for the children. That he got the money [92] and spent it for taking care of the children, that he just carried it around, never used a check-book, just carried the \$260.00 around and spent it. That he didn't put it in the bank at all but that he cashed the check at the bank and got the money.

Mr. SPIROPLOS was later called as a witness for the purpose of discovering assets and testified as follows:

That the mower which was sold to Dan Forsea was in the field and that John Demas had placed it there the previous fall. That the mower was on the Miller place about three years previously when he bought the Miller place but that it had been brought down to the Flick Ranch *and* year before by Demas. That he brought it down from the place some time in 1920. He didn't know just when as he wasn't there. That he saw it on the place for the first time in the spring of 1921. That John Demas told him it was on the place. That he didn't tell Dan Forsea who the mower belonged to when he sold it. Dan Forsea asked no questions. That he told Forsea he had a mower and team and harness to sell. That he told Forsea where the mower was and that they went down and looked

at it and Forsea paid \$50.00 for the mower. That he did not offer to sell this particular mower to Mr. Dugger but that he offered to sell him a different mower. That he had two mowers to sell and offered to sell Dugger another one. He denied that he told Dugger that the mower was hid away in the brush and that it was a new mower that had just been purchased and denies that he offered to date the bill of sale back a year in order to avoid the date of bankruptcy.

He testified that Demas owned the Miller place, that he didn't have anything to do with it, that it belonged to Demas, and admits that Spiroplos paid for the place and that he gave the mortgage to the First National Bank on it and that he included the place in the inventory of the Nicholas Spiroplos [93] estate as belonging to Spiroplos Brothers.

That the gasoline engine was bought after Spiroplos Brothers had bought the place from John Flick. That they had an old engine from the Flick place but that it was too big for the shearing plant and that Spiroplos Brothers furnished the shearing plant, Chris Coleman and John Demas bought the gasoline engine and they didn't charge each other anything for the use of the plant. Spiroplos Brothers furnished the shearing plant and the other two men the gasoline engine. That he sold the engine to Gerald Stanfield for \$200.00. That he paid the \$200.00 to John Demas.

It was stipulated that without identification by the Clerk all deeds, mortgages, and papers in con-

nection with the estate of Nicholas Spiroplos, deceased, might be introduced. The Trustee introduced in evidence the schedule filed by the bankrupts with their application to be adjudicated bankrupts and particularly Schedule B-1, the first item in Schedule B-4, the oath to the same, the title and heading to the same, the portions particularly introduced being as follows:

Schedule B-1.
REAL ESTATE.

Flick Ranch at Home, Ore., described as follows: Lot 2, W $\frac{1}{2}$ of SW $\frac{1}{4}$, SE $\frac{1}{4}$ of SW $\frac{1}{4}$, and SW $\frac{1}{4}$ of SE $\frac{1}{4}$ Sec. 15, and Lots 1, 2 and 3, and E $\frac{1}{2}$ of NW $\frac{1}{4}$ Sec. 22, all in Tp. 12, S. R. 45 E. W. M., in Baker County, Ore.

Incumbered by mortgage to First National Bank at Baker City, Oregon, for \$71000.00 Dec. 10, 1919.

This real estate mortgage was given to secure the payment of certain notes inadequately secured by Chattel mortgages and covers other property hereinafter more particularly described.

20,000.00

George S. Spiroplos Homestead, about six miles from Home, Ore., described as follows:

Covered by mortgage above described.

Same as stated above.

1,000.00

N $\frac{1}{2}$ of SW $\frac{1}{4}$, W $\frac{1}{2}$ and SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 22, E $\frac{1}{2}$ of NE $\frac{1}{4}$ and NE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 27, all in Tp. 11, S. R. 45 E. W. M. in Baker County, Ore.

Total

\$21,000.00

(Signed) GEORGE SPIROPLOS,
MILTIADES SPIROPLOS.
GUST SPIROPLOS.

Schedule B-4.

Property in Reversion, Remainder, or Expectancy,
Including Property Held in Trust for the
Debtor or Subject to any Power or Right to
Dispose of or to Charge.

Interest in land. NONE.

(Signed) GEORGE SPIROPLOS,
 MILTIADES SPIROPLOS.
 GUST SPIROPLOS.

OATH TO SCHEDULE B.

United States of America,
District of Oregon,
County of Baker,—ss.

On this 20th day of October, A. D. 1920, before me personally came George Spiroplos, Miltiades Spiroplos and Gust Spiroplos the persons mentioned in and who subscribed to the foregoing Schedule (marked B-1, 2, 3, 4, 5, 6,), and who, being by me first duly sworn, did declare the said schedule to be a statement of all their estate, both real and personal, in accordance with the Acts of Congress relating to bankruptcy.

(Signed) GEORGE SPIROPLOS.
 MILTIADES SPIROPLOS.
 GUST SPIROPLOS.

Subscribed and sworn to before me this 20th day of October, A. D. 1920.

J. L. SOULE,

Notary Public for Oregon.

My Commission expires April 29, 1921.

The Trustee offered in evidence statement made by George Spiroplos one of the bankrupts to the First National Bank of Baker in connection with his application for a loan from that Bank. The exhibit so far as the same effects any question at issue is as follows: [95]

"To the First National Bank of Baker City, Oregon.

"For the purpose of obtaining credit with you from time to time we herewith submit the following as being a fair and accurate statement of our financial condition on November 27, 1918.

Description of Real Estate.

J. W. Flick ranch near Home, Oregon, about 330 acres.

McWaters 160, near Home, Oregon.

Miller Place near Home, Oregon, stands in name of John Demas, \$2,700.00.

(Signed) GEORGE SPIROPLÖS."

The Trustee offered in evidence the Inventory and Appraisement in the estate of Nicholas Spiroplos, deceased, portion of which effects the issue in this case being as follows:

Also an undivided one-fifth interest in what is known as the Miller ranch now standing in the name of John Demas and described as follows:

E.1/2 of the NE.1/4 of Section 12, Tp. 12 S.,
 R. 44 E., W. M.; E.1/2 of NW.1/4, SW.1/4
 of NE.1/4, NW.1/4 of SE.1/4, and Lots 1
 and 2, all in Section 7, Tp. 12 S., R. 45
 E., W. M. \$200.00.

State of Oregon,
County of Baker,—ss.

George Spiroplos, the administrator of the estate of Nicholas Spiroplos, deceased, being duly sworn says: That the annexed inventory contains a true statement of all the real and personal property of the said deceased, which has come into my knowledge and possession and particularly of all money belonging to the said deceased and all just claims of the said deceased against the said ———.

GEORGE SPIROPLOS.

Subscribed and sworn to before me this 11th day of January, A. D. 1919.

JAMES H. NICHOLS,
Notary Public for Oregon.

My Commission expires Nov. 29, 1919.

The Trustee offered in evidence the first semi-annual report of George Spiroplos, one of the bankrupts and administrator of estate of Nicholas Spiroplos, deceased, the same so far as it effects any issue in this case being as follows: [96]

“That the following is a true and correct copy of the Inventory and Appraisement of said estate in so far as the list of property embraced is covered, to wit:

Together with other property not involved herein.

Also an undivided one-fifth interest in what is known as the Miller ranch now standing in the name of John Demas and described as follows:

E.1½ of the NE.¼ of Section 12, Tp. 12 S., R. 44 E., W. M., and Lots 1 and 2, and E.1½ of NW.¼,

SW. $\frac{1}{4}$ of NE. $\frac{1}{4}$ and NW. $\frac{1}{4}$ of SE. $\frac{1}{4}$, all of Section 7, Tp. 12 S., R. 45 E., W. M.

(Signed) GEORGE SPIROPLOS,
Administrator and Petitioner Making Report.

State of Oregon,
County of Baker,—ss.

I, George Spiroplos, being first duly sworn, say: That I am the duly appointed, qualified and acting administrator of the estate of Nicholas Spiroplos, deceased, and the petitioner who signed the above and foregoing report; that I have read the same, know the contents thereof and that the facts therein set forth are true as I verily believe.

(Signed) GEORGE SPIROPLOS.

Subscribed and sworn to before me this 19th day of July, 1919.

(Signed) EDWARD A. LANDIS,
Notary Public for Oregon.

My Commission expires June 5th, 1921.

The Trustee offered in evidence the final account and report of George Spiroplos, one of the bankrupts, as administrator of the estate of Nicholas Spiroplos, deceased, the portion of the same so far as it effects any issue in this case being as follows:

“That the said property of said deceased also consisted of an undivided one-fifth interest in and to the real and personal property of Spiroplos Brothers, a partnership consisting of your administrator owning an undivided one-fifth interest therein, Milt Spiroplos owning an undivided one-fifth interest therein, Gust Spiroplos owning an undivided

one-fifth interest therein, James Spiroplos owning an undivided one-fifth interest therein.”

“That on or about the month of April, 1919, Elene Spiroplos, widow of the said Nicholas Spiroplos, and his sole heir at law, married one Nick Palantas, and that the said Nick Palantas after his marriage to the said Elene Spiroplos commenced to take an active interest in the affairs of Spiroplos Brothers, and for and in behalf of his said wife made frequent demands upon your administrator for a settlement of said estate and for a disposition of the share of his wife as the heir at law of the said [97] Nicholas Spiroplos, deceased; that said demands were unreasonable and unwarranted and impossible of performance on the part of your administrator and that he was unable to arrive at a settlement with said Palantas of the interest of the said Elene Spiroplos in the estate of her husband and that on the 9th day of October, 1919, the said Elene Spiroplos Palantas acting under the direction of her said husband filed in this court and in the matter of said estate her duly verified petition complaining of the manner in which the estate of said deceased was being administered and alleging that large sums of money belonging to the same were not accounted for and that your administrator was attempting to defraud the said estate out of a large sum of money, and in said petition so filed said petitioner prayed for a hearing on said petition and for an order requiring your administrator to file a detailed statement showing all receipts and disbursements since the death of Nicholas Spiroplos;

that he be discharged as administrator and a suitable person appointed by the Court to complete the administration of said estate; that thereafter and on the 9th day of October, 1919, an order was duly given, made and entered in said matter, requiring your administrator to appear before the above-entitled court on the 27th day of October, at the hour of ten o'clock A. M. and at said time show cause, if any, why he should not be discharged as administrator of said estate, and that at said time he should also show cause why he had not filed a complete statement and account of his transactions as he was requested to file in said petition; that thereafter negotiations for the settlement of all controversies between the said Elene Spiroplos Palantas and your administrator were entered into between the said Elene Spiroplos Palantas and her attorneys, Messrs. Robert F. Maguire of Portland, Oregon, and A. A. Smith of Baker, Oregon; and Messrs. John L. Rand and James H. Nichols, attorneys for your administrator, with the result that your administrator procured the services of one J. L. Soule and submitted to him all of the accounts, checks, notes, data and generally all records in his possession covering all of the transactions of Spiroplos Brothers, and particularly the transactions had by your administrator in connection with the administration of the individual and partnership estate of Nicholas Spiroplos, deceased, to the end and for the purpose that the said J. L. Soule might make an analysis thereof and determine the value of the interest of the said Elene Spiroplos Palantas

as the heir at law of the said Nicholas Spiroplos, deceased, that attached hereto and by reference thereto made a part hereof is a true and correct copy of the final analysis and synopsis made by the said J. L. Soule and showing the net value of the entire holdings of Spiroplos Brothers, of which the estate of the deceased, Nicholas Spiroplos, was the owner of an undivided one-fifth; that all of the data used in preparing said analysis and statement was submitted to the said Elene Spiroplos Palantas and to her attorneys, with the result that on the 8th day of November, 1919, a settlement of all matters and things in controversy between said George Spiroplos and herself was had and George Spiroplos, your administrator, in his individual capacity, Milt Spiroplos and Gust Spiroplos purchased all of the right, title, interest and claim of the said Elene Spiroplos Palantas as sole heir at law of Nicholas Spiroplos, deceased, in and to all of the personal property belonging to the copartnership of George Spiroplos, Milt Spiroplos, Gust Spiroplos, James Spiroplos and Nicholas Spiroplos, deceased, including all notes, bills, and accounts receivable, demands, credits, choses in action and all personal property of the estate of Nicholas Spiroplos, deceased, and at said time the said Elene Spiroplos Palantas made, executed and delivered to the purchasers of said personal property above named her certain bill of sale conveying the property above mentioned to them; that at [98] the time and as a part of said transaction and settlement the said Elene Spiroplos Palantas made, executed and delivered her certain

deed of conveyance, her husband joining therein, conveying to George Spiroplos, Milt Spiroplos and Gust Spiroplos all of their right, title and interest in and to all of the real property belonging to the firm of Spiroplos Brothers, consisting of what is known as the Flick ranch, the Miller ranch and the Mc-Waters ranch, and any and all other real property which may thereafter be found to belong to said partnership."

In statement attached to above account prepared by Soule, included among assets is the following:

Miller ranch.....	\$1600.00
Mortgage.....	600.00

State of Oregon,
County of Baker,—ss.

I, George Spiroplos, being first duly sworn, depose and say: that I am the duly appointed, qualified and acting administrator of the individual and partnership estate of Nicholas Spiroplos; that I have read the foregoing final account and report and know the contents thereof and that the same is true as I verily believe.

(Signed) GEORGE SPIROPLOS.

Subscribed and sworn to before me this 22d day of January, 1920.

(Signed) JAMES H. NICHOLS.

My Commission expires 12/5/23.

The Trustee offered in evidence the contract between the widow of Nicholas Spiroplos and the firm of Spiroplos Brothers, which included the three

bankrupts, the said exhibit so far as the same effects any issue in this case being as follows:

“This contract made and entered into this 8th day of November, 1919, by and between Elene Palantas, the widow of Nicholas Spiroplos, who died November 8, 1918, in Baker county, Oregon, and was a full member of the firm of Spiroplos Brothers, and Nick Palantas, her husband, of Baker county, Oregon, the party of the first part, and George Spiroplos, Milt Spiroplos, Gust Spiroplos and James Spiroplos, who together with said deceased conducted the firm of Spiroplos Brothers, doing business in Baker county, Oregon, the party of the second part, and George Spiroplos, administrator of the estate of Nicholas Spiroplos, deceased, the party of the third part, WITNESSETH:

THAT WHEREAS, Nicholas Spiroplos, a member of said firm, died on November 8, 1918, leaving as his sole heir at law the said Elene Spiroplos, now Elene Palantas, and said firm of Spiroplos Brothers were the owners of a large amount of both real and personal property and were indebted in large sums of money at the time of the death of said deceased, and [99]

WHEREAS, the said Elene Palantas at this time desires to sell her interest in said partnership assets and to be released from all obligations of said firm;

NOW, THEREFORE, in consideration of the sum of Seven Thousand (\$7,000.00) Dollars, to her in hand paid, the receipt of which is hereby

acknowledged, the said parties of the first part do hereby covenant and agree as follows:

The parties of the first part shall make, execute and deliver to George Spiroplos, Milt Spiroplos and Gust Spiroplos, parties of the second part, a good and sufficient deed conveying to said parties all the right, title and interest of the parties of the first part in and to all of the real property belonging to said firm, consisting of what is known as the Flick ranch, the Miller ranch and the McWaters ranch.

(Signed) ELENE PALANTAS.

NICK PALANTAS.

MILT SPIROPLOS,

By GEORGE SPIROPLOS.

GUST SPIROPLOS,

By GEORGE SPIROPLOS.

JAMES SPIROPLOS,

By GEORGE SPIROPLOS.

GEORGE SPIROPLOS.

GEORGE SPIROPLOS,

Administrator."

The Trustee offered in evidence a mortgage from the bankrupts to the First National Bank, given on the 19th day of December, 1919, the portion of the same so far as it effects any issue in this case being as follows, to wit:

"Now, Therefore, in consideration of said loan and for the purpose of securing the payment of each and all of said notes above described and the faithful performance of all of the covenants herein contained, the parties of the first part do hereby grant, bargain, sell and convey unto the said party of the

second part, its successors and assigns forever, all of that certain real estate situate in Baker county, and State of Oregon, described as follows, to wit:

* * * * *

East half (E.1/2) of the Northeast quarter (NE.1/4) of Section 12, Tp. 12 S., R. 44 East of Willamette Meridian; East half (E.1/2) of the Northwest quarter (NW.1/4), Southwest quarter (SW.1/4) of the Northeast quarter (NE.1/4), Northeast quarter (NE.1/4) of the Southeast quarter (SE.1/4), and Lots 1 and 2 of Section 7, all in Tp. 12 S., R. 45 East of Willamette Meridian. [100]

* * * * *

TO HAVE AND TO HOLD the said premises and the appurtenances and waters and water right, water privileges and ditches to the said party of the second part, its successors and assigns forever.

And the said parties of the first part covenant that the said George Spiroplos, Milton Spiroplos and Gust Spiroplos are the owners in fee simple of the above described premises and that they will warrant and forever defend the same against the lawful claims of all persons whomsoever, save and except as to said existing mortgages;

* * * * *

PROVIDED NEVERTHELESS, that this conveyance is intended to be a real and chattel mortgage upon the lands above described and personal property above described to secure the payment of

each and all of said promissory notes above described.

(Signed) GEORGE SPIROPLOS.
MILTON SPIROPLOS.
GUST SPIROPLOS.

Duly and regularly acknowledged by George Spiroplos and Milton Spiroplos on December 1st, 1919, before Joseph J. Heilner, Notary Public for Oregon, and by Gust Spiroplos, on the 19th day of December, 1919, before O. H. P. McCord, Notary Public."

The Trustee offered in evidence the receipts from State Treasurer for interest on mortgage held by State on Miller land for years 1919 and 1920, the same being as follows:

STATE TREASURER'S RECEIPT AND
STATEMENT IN DUPLICATE.

No. 14284.

State of Oregon,
Treasury Department.

Remitted by:

Geo. Spiroplos,
c/o First National Bank,

Receipt mailed to same.

P. O. Address: P. O. Box 256. P. O. Address, 356.

Date of letter—Baker, Oregon.

Jan. 10, 1920.

Received from Chas. T. Miller, Baker
county, Jan. 10, 1920, the sum of Eighteen
and

\$18.00,

which has been applied as follows:

Common School, interest—Interest on note
No. 12789 to Dec. 12, 1919 \$18.00.

Received payment,

O. P. HOFF,
State Treasurer.

Countersigned:

BEN W. OLCOTT,
Secretary of State. [101]

STATE TREASURER'S RECEIPT AND
STATEMENT IN DUPLICATE.

State of Oregon,
Treasury Department.

No. 21061.

Remitted by:

Geo. S. Spiroplos,
Home, Oregon.

Receipt mailed to same.

June 23, 1920.

355.

Received from Chas. T. Miller, Baker
county, the sum of Eighteen and \$18.00,
which has been applied as follows:
Assumed \$600.00 Mortgage.

Common School, interest—Interest on note
No. 12789 to June 12, 1920 \$18.00.
\$12.00 refund enclosed by check No. 4974.
Received payment,

O. P. HOFF,
State Treasurer.

Countersigned:

SAM A. KOZER,
Secretary of State.

The Trustee offered in evidence check from George Spiroplos to State Treasurer under date of June 18, 1920, paying interest on mortgage to State on Miller land, the said check being as follows:

GEO. S. SPIROPLOS & BROS.

Home, Oregon.

• No. 219.

June 18, 1920.

Pay to the order of O. P. Hoff, State Treasurer,
\$30.00 Thirty and No/100 Dollars.

GEO. S. SPIROPLOS.

To the First National Bank 96-28 Baker, Oregon.

Testimony of John Demas, for the Bankrupts.

JOHN DEMAS was called as a witness by the bankrupts in connection with the examination to disclose assets, who testified as follows:

That he had been connected with Spiroplos Brothers for the years 1916 to 1918, at which time he paid all his debts and after that time he took care of himself and that after 1918 he [102] financed his own operations. That he and Chris Coleman bought the gasoline engine, George Spiroplos owning the shearing plant. That George promised to furnish the shearing plant and he and Chris Coleman furnish the gasoline engine and that he bought the gasoline engine in 1919 from Kleinschmidt Hardware Company, paying \$300.00, using his own money to pay for it. That he told George Spiroplos to sell the gasoline engine for him about the 1st of May, 1921. That he talked to D. W. Dugger about a mower that George Spiroplos was trying to sell

(Testimony of John Demas.)

to Dugger and that when he talked to Dugger he thought that George was trying to sell Dugger an old mower that was on the Miller place, but that he knew that the mower that Dugger was trying to buy and the mower that he was talking to Dugger about was the mower that he, Demas, owned, and that he found out afterwards that the mower George was trying to sell to Dugger was the mower that he claimed to have written to George to sell. That he bought the gas engine in 1919—some time in the early part of April. *That he paid cash for his share and Chris Coleman paid for his share by check. That he and Chris Coleman bought it together and he paid cash and Chris Coleman paid check and that afterwards Chris Coleman turned his interest over to him, Demas, and had no more interest in it.*

At the close of this testimony counsel for bankrupts asked whether or not there would be any claim that the money which had been furnished by Spiroplos to purchase the Miller place had not been repaid, because if there was such claim bankrupts desired to call the officers of the First National Bank of Baker to show that the land was purchased for Demas and that Demas owned it,

Counsel for Trustee notified counsel for bankrupts that the claim would be made that the Miller place was the property of the bankrupts and should have been included in the schedule of assets. [103]

Testimony of Mrs. McBirney for the Trustee.

Mrs. McBIRNEY was called as a witness to testify on behalf of the Trustee and testified as follows:

That she resided at Nampa, Idaho, and during the year 1919 was bookkeeper for the Eastern Oregon Hardware Company, which previously had been doing business as the Kleinschmidt Hardware Company. That the original notation of charges was made by salesman and that she transferred from the sales slips to the bills and then from the bills to the books of the Company on the day that the sale was made. The transfer to the customers ledger being made on the first of each month. Witness identified slips exhibited to her as entries made by her on the books of the Company charging the account of Spiroplos Brothers. These slips were offered in evidence and marked as Trustee's Exhibit 2 and are in words and figures as follows:

Trustee's Exhibit 2.**SPIROPLOS BROS.**

Home, Oregon.

		April,	
40	2 Express .....		.85
41	2-32x4 Federal tire)		
	1-28252)	57.45.....	114.90
	1-20379)		
2 B	2 Buckets		1.10
	2 Buckets		1.30

		12- $\frac{3}{8}$ x2 $\frac{1}{2}$ Bolt	.39
		12- $\frac{3}{8}$ x3 "	.42
		12- $\frac{7}{16}$ x3 $\frac{1}{2}$ "	.54
		12- $\frac{5}{16}$ x4 $\frac{1}{2}$ "	.42
		12 Plow Bolts	.60
		1 Bucket	.60
		1 wrench	.50
62	3	647 Alfalfa Seed \$25.00 per 100	161.75
130	7	6-410 Raw Hide pinions	16.50
		12-406 strings	.72
		1-403 Clutch lever	1.10
		1-412 Clutch Spindle	1.65
		3-429-C Yokes $\frac{1}{2}$ S	6.60
		1-411 Long Spindle	1.10
		2-416 Short Spindle	2.20
		24-432 Joint Cogs	15-84
		12 D. Joint guards	2.04
		Parcel Post	.35
151	7	1-6 H. P. Alamo Engine	270.20
		Frt. Baker to Home.	8.25
		1-2 Glass oil cup	3.25
[104]			
		1-3 Glass oil cup	3.75
		1-14 Pipe wrench 2.50 postage.	
		10	2.60
<hr/>			
		Forward	619.52

Charles Bodeau vs.
SPIROPLOS BROS.
 Home, Oregon.

		April.
	Forward	\$619.52
274 17	2 Doz. 50 Tea Spoons	4.00
	1½ Doz. Table Spoons	1.75
	2 set knives and forks	7.00
	1 knife	7.00
	I doz. 2 oiler	3.00
	15 Gal. P. M. Oil	14.70
	1-15 Gal. drum	3.00
	5 cup grease .....	.65
	1 kettle	2.00
	I kettle	2.75
	2 bx. 22 shorts .....	.60
	12 tea cups and saucers	4.50
	12 coffee cups and saucers	5 50
	1 28 wash basin .....	.40
	3 30 Wash basins	1.50
	4 vegetable dishes	2.80
	1 bucket	1.25
	1 bucket .....	.60
	I pitcher	3.50
	6 plates	1.25
275 17	6 pkg. garden seed .....	.90
	14 pkg. garden seed	1.05
	3 pkg. flower seed .....	.30
322 19	prepaid freight	2.47
356 21	1-9 H. P. Alamo Engine	453.00
	Freight	27.50

\$1166.39

(Testimony of Mrs. McBirney.)

Witness was then handed the ledger of the Klien-schmidt Hardware Company to which the items found on Trustee's Exhibit 2 were posted. On page 31 of this ledger under the letters "SI" was found the account of Spiroplos of Home, Oregon, and that this contained the items found on Exhibit 2 transferred on the 30th of April, 1919. Page 33 of the ledger is a continuation of the Spiroplos account found on page 31. These two ledger sheets were offered in evidence, admitted and marked as Trustee's Exhibit 3. The portion of these sheets showing the charge for the items in Trustee's Exhibit 2 is as follows: [105]

Date	Description	Folio	Debits	Date	Description	Folio	Credits
8/31	Mdse.	B. B.	5.32	12/19	C. B.	35	491.60
10/31	"	" "	47.35	12/20		J145	25.07
11/30	"	" "	387.70				
11/30	" to John S.	2 B.	5.60				
9/30	" " Geo. S.	10 B.	13.25				
10/31	" " Milt S.	27 B.	57.45				
			516.67				516.67
12/30		B. B.	19.70	2/6	C. B.	43	184.60
1/31		" "	174.94	"/10	J1	149	10.04
2/28		" "	35.89	3/10		J154	41.25
3/31		" "	70.32	4/21		J159	278.45
4/30		" "	1166.39	7/8		J169	13.18
5/31		" "	98.39	" "		70	1058.23
7/31		" "	147.05				
8/30		" "	44.10				

That item 151 shown on Exhibit 2 is a six-horse-power Alamo gas engine sold to Spiroplos Brothers for \$270.20, shipped to Spiroplos Brothers through the P. & O. Plow Company from Nampa, Idaho. That the item of \$278.45 shown on the credit side of the account under date of April 21st

represents the return of the six-horsepower engine and upon its return credit for that amount was given which included the purchase price and freight charges. That the item of \$453.00 in Exhibit No. 2 charged under date of April 29, was a nine-horsepower Alamo engine which was shipped by the company to Spiroplos Brothers. Witness was handed a check in the sum of \$1058.23, which she testifies as having been paid to the Eastern Oregon Hardware Company by George Spiroplos, which was paid to that company in settlement of the account of Spiroplos Brothers and that this is the same item that appears in the ledger of that company as a credit in that sum of money and that the payment of that sum of money paid up Spiroplos Brothers' account in full. This check was offered in evidence and marked Trustee's Exhibit 4, and is as follows: [106]

Trustee's Exhibit 4.

3029

GEORGE SPIROPLOS,

Dealer in Sheep,

Home, Oregon, July 8, 1919. No. 223.

Pay to the order of Eastern Oregon Hardware Co. \$1058 23/100 Ten Hundred Fifty-eight and 23/100 Dollars.

GEO. S. SPIROPLOS.

To the First National Bank, Baker, Oregon.

96-28,

Hardware supplies.

Witness identifies an account carried by John Demas with the Eastern Oregon Hardware Company.

(Testimony of V. E. Daniels.)

This account was introduced in evidence and received as Trustee's Exhibit 5, and extends from the 15th of March, 1918, to the 30th of August, 1919. There is no gas engine charged on the account. The aggregate of all debit items is \$83.20 covering the entire period of time.

Testimony of V. E. Daniels, for the Trustee.

V. E. DANIELS was called as a witness on behalf of the Trustee and testified as follows:

That in the month of April, 1919, he was salesman for the Eastern Oregon Hardware Company, formerly the Kleinschmidt Hardware Company, and that as salesman he talked to George Spiroplos in connection with the sale of a gas engine. That this was in the spring of 1919 prior to the 7th day of April. That he discussed the sale of the gas engine with George Spiroplos and with no one else. That he went down to the ranch of Spiroplos Brothers on Snake River for the purpose of selling a gas engine. That a sale was later made to George Spiroplos of a six-horsepower Alamo gas engine, which was shipped from Idaho through the P. & O. Plow Company, the sale being made by him on behalf of the Eastern Oregon Hardware Company, which company subsequently sold out and was dissolved, the books having been placed in the possession of Nichols & Hallock a firm of attorneys at Baker. That he had made a search of the records to find the original sales slip but that it had been lost in closing up the affairs of the company.

(Testimony of V. E. Daniels.)

On cross-examination he testified that the first engine sold was a six-horsepower engine which was sent down to Spiroplos [107] Brothers and returned. That later a 9-horsepower engine was sent.

Testimony of D. W. Dugger, for the Trustee.

Mr. D. W. DUGGER was called as a witness on behalf of the Trustee and testified as follows:

That he lived on Hibbard Creek about four miles from Snake River and about six miles from Home, Oregon. That he was acquainted with George Spiroplos and with John Demas. That he lived on what is known as the McWaters place on Hibbard Creek which at one time was owned by Spiroplos Brothers. That about the 31st of March, 1921, he had a conversation with George Spiroplos relative to the purchase of a mowing-machine, this conversation taking place on the Flick place or the Spiroplos place. That at that time Spiroplos asked him if he wanted to buy a mower or sulky plow and he replied that he didn't need a plow but he needed a mowing-machine and asked Spiroplos what kind of a mowing-machine he had for sale. Spiroplos answered that it was a McCormick and had been run one season and that he asked Spiroplos if it was on the schedules of property turned in by Spiroplos in his bankruptcy proceedings and Spiroplos replied no. That Spiroplos told Dugger that he would sell Dugger the mowing-machine and give him a bill of sale and date it back a year so that there would be no conflict

(Testimony of D. W. Dugger.)

with the bankruptcy proceedings. That he asked Spiroplos if he might look at the mowing-machine and Spiroplos replied that he had put it away in the brush. That this conversation took place in the road just in front of the house on the Flick place. That at that time there were two old mowers standing near the barn and that the mower which Spiroplos proposed to sell to him was neither of the two standing by the barn. That Spiroplos did not tell him the exact place where the mower was but told him that Spiroplos had it hid in the brush. That he was afraid to buy the mower just that way and he came to Baker and went to see the banker and was directed to see the Trustee in Bankruptcy. That he went to see the Trustee in Bankruptcy relative to the matter. That he did not buy the mower. That the [108] reason he asked Spiroplos as to whether or not this was in the list of property that had been turned in by Spiroplos at the time of his bankruptcy was because at another time he was considering purchasing a horse from Spiroplos and asked Mr. Baker, a neighbor of his, if it was safe to buy the horse from Spiroplos and Mr. Baker told him that it depended on whether or not the horse was named in the list and asking Mr. Baker what list he meant was told that at the time of the bankruptcy the bankrupt had to make a correct list of all his property and turn it into the court. That he presumed the reason that Spiroplos tried to sell him the mower and offered to date back the bill of sale was because he, Spiroplos,

(Testimony of D. W. Dugger.)

knew that Dugger needed a mower on his place and that it was a chance to sell it.

That John Demas stopped at his place shortly subsequent to the time of the conversation between witness and Spiroplos and told witness that he was talking about things that didn't concern his business and didn't hurt him any which witness thought was in reference to the fact that the witness had come to Baker to find out about the right of Spiroplos to sell the mower and Demas told witness that the mowing-machine which Spiroplos was trying to sell to witness belonged to Demas. That when he, Demas, bought the Miller place two years before, the mowing-machine went with the place and that he loaned the mowing-machine to George Spiroplos and that he took it down on his place and never returned it.

Testimony of H. P. Swisher, for the Trustee.

Mr. H. P. SWISHER, called as a witness on behalf of the Trustee, testified as follows:

That he lived on Hibbard Creek and was in the cattle business and had a small ranch on that creek. That he was acquainted with George Spiroplos for about three or four years. That he knew where the Miller place was. That in May, 1921, he bought some posts from Spiroplos which were on the Miller place, for which he agreed to pay twelve cents a piece or to replace them and that he got 216 posts. That the posts were near the Miller place and had been cut three or four years, juniper posts.

(Testimony of H. P. Swisher.)

On cross-examination he testified that he didn't know who had [109] occupied the Miller place the year previous. That there was no one living there but that there had been sheep on the place in the spring, the sheep belonging, he supposed, to George Spiroplos. That if he didn't replace the posts that he would have to pay for them and that he expected to pay George Spiroplos. That the posts were on the Miller place prior to the time that it was purchased and that they were cut on the Miller place.

Testimony of D. L. Forsea, for the Trustee.

Mr. D. L. FORSEA was called as a witness on behalf of the Trustee and testified as follows:

That he lived on Mr. Baker's ranch or the Flick place. That on March, 1921, he bought some cattle from George Spiroplos paying him \$260.00. That he bought three cows, a steer, two yearlings and two calves. George Spiroplos sold the cattle to him and that he paid George Spiroplos with a check. The check was identified by the witness, offered in evidence as Trustee's Exhibit 6, and is as follows:

Trustee's Exhibit 6.

Baker, Oregon, 3-18, 1921, No. —.

Baker Loan & Trust Company—96-30.

Baker, Oregon.

Pay to the order of George Spiroplos \$260.00
Two Hundred Sixty and No/100 Dollars.

D. L. FORSEA.

(Testimony of D. L. Forsea.)

That later he bought a team, harness and mowing-machine for which he paid \$150.00. That he bought this property from George Spiroplos and paid George Spiroplos with a check. The check was identified, offered in evidence and marked as Trustee's Exhibit 7 and is as follows:

Trustee's Exhibit 7.

Baker, Oregon, April 11, 1921. No. —.

Baker Loan & Trust Company—96-30.

Baker, Oregon.

Pay to the order of George Spiroplos \$150.00
One Hundred Fifty and no/100 Dollars.

D. L. FORSEA.

That the mower was a five and a half foot cut McCormick mower. [110] That at the time that he bought it it was at the lower end of the field on the river bank below the bank in a clump of trees. That where the mower was is a big bank which you went around to get to the mower. There was a big bunch of brush on the side of the mower and that in getting to the mower you went in a northeasterly direction from the buildings and had to go north of the big bank to get to the mower. That he saw the mower there the day he bought it. That there is no farming land where the mower was but there is farming land above the mower. That there is no farming land between where the mower was and the river and none below the bank behind which the mower was found.

Testimony of J. L. Soule, for the Trustee.

J. L. SOULE, called as a witness on behalf of the Trustee, testified as follows:

That he had been employed by Spiroplos Brothers from some time previous to their bankruptcy and had supervision over their books. That he turned over to the Trustee in Bankruptcy all of the books and records of Spiroplos Brothers that he had in his possession. That there was one book which was kept by George Spiroplos and which contained certain information about the business of Spiroplos Brothers which was not with the books turned over by him to the Trustee. That the last he saw this book it was in the possession of George Spiroplos.

The witness identified a check given June 18, 1920, by George Spiroplos to O. P. Hoff in the sum of \$30.00, which was paid by George Spiroplos to O. P. Hoff to cover the interest on the mortgage on the Miller land and that with the check was a receipt from Hoff to Spiroplos for the payment of the land. The two instruments were attached together introduced in evidence and marked as Trustee's Exhibit 8.

Witness identified receipt No. 14284, issued by the state treasurer, which was a receipt for a remittance made by George Spiroplos to the state treasurer for interest on mortgage on the Miller land the receipt being dated January 10, 1920. The same [111] was offered in evidence and marked as Trustee's Exhibit 9.

(Testimony of J. L. Soule.)

On cross-examination this witness testified that the book which had not been produced was an old ledger in which Spiroplos assigned a page to each man, where he wrote down the time that work was started and the rate of pay and that it contained numerous data of various kinds and that practically every transaction that the witness asked information about Spiroplos would find some memorandum in the book.

At the close of this witness' testimony, after he had been made a witness on behalf of the bankrupts for themselves, counsel excused him in order that he might make up a statement showing from the records and books of the bankrupts the amount of money that had been paid to the bankrupts by Demas. When this witness was recalled he testified that there was a settlement between Spiroplos Brothers and John Demas in 1918, which was shown by records which he examined at the time he made up a statement of the accounts of Spiroplos Brothers in 1919 in connection with the settlement with the widow of Nick Spiroplos and that at the time of the death of Nick Spiroplos there was nothing against John Demas on the books of Spiroplos Brothers. At that time Demas owed the bank all of the moneys that he was chargeable with. That the record showed that all indebtedness which Demas had owed Spiroplos Brothers was paid up in full.

The Trustee offered in evidence Trustee's Exhibit No. 10, which was a mortgage by Chas. T. Miller

(Testimony of A. A. Smith.)

and wife to the State of Oregon in the sum of \$600.00 on the following described premises:

East half (E.1/2) of the Northeast quarter (NE.1/4) of Section 12, Tp. 12 S., R. 44, Lots 1 and 2, and the East half (E.1/2) of the Northwest quarter (NW.1/4), the Southwest quarter (SW.1/4) of the Northeast quarter (NE.1/4), Northwest quarter (NW.1/4) of the Southeast quarter (SE.1/4), Section 7, Tp. 12 S., R. 45 E., W. M. Mortgage was given on April 15th, 1915.

Trustee offered in evidence Trustee's Exhibit No. 11, a deed from E. Palantas and husband to George Spiroplos, Milton Spiroplos and Gus Spiroplos, covering in addition to other premises the following:
[112]

East half (E.1/2) of the Northeast quarter (NE.1/4) of Section 12, Tp. 12 S., R. 44 E., W. M. East half (E.1/2) of the Northwest quarter (NW.1/4), Southwest quarter (SW.1/4) of the Northeast quarter (NE.1/4), and the Northwest quarter (NW.1/4) of the Southeast quarter (SE.1/4) and Lots 1 and 2 of Section 7, Tp. 12 S., R. 45 E., W. M.

The said deed being dated November 8th, 1919, and being a warranty deed.

Testimony of A. A. Smith, for the Trustee.

Mr. A. A. SMITH, called as a witness on behalf of the Trustee, testified as follows:

That at the time the settlement was made between Mrs. Palantas that Mr. Soule was employed by George Spiroplos to prepare a statement of the

(Testimony of A. A. Smith.)

assets of indebtedness of Spiroplos Brothers, and that in the statement prepared by Soule was included the Miller ranch. That George Spiroplos and Milt Spiroplos both saw the statement and went over it with witness and Mr. Soule. That the statement included the Miller ranch with a valuation of \$3,000.00 and that in arriving at the amount of money that Mrs. Palantas was entitled to be paid in settlement of her deceased husband's estate which was a portion of the Spiroplos Brothers property, the Miller ranch was considered as an asset belonging to Spiroplos Brothers. That the inventory prepared at the request of George Spiroplos, the administrator of the estate, contained the Miller ranch.

On cross-examination this witness testified that at the time of the settlement the Miller ranch had not been mortgaged to the First National Bank. That neither the sheep belonging to John Demas nor any mortgage on them was considered as an asset of Spiroplos Brothers but that in the settlement it was agreed that Spiroplos Brothers owed John Demas the sum of \$5,000.00 on account of a wrongful credit of a deposit made by the bank.

Testimony of Chas. Bodeau, in His Own Behalf.

Mr. CHAS. BODEAU, the Trustee, as a witness on behalf of himself, was called and testified as follows:

That after his election as Trustee he went down to the Spiroplos Brothers ranch to make an in-

(Testimony of Chas. Bodeau.)

ventory of the [113] property owned by them. That he conferred with George Spiroplos. That subsequent to that time he had had some information about a mower that had not been put in the inventory. That he asked George if there wasn't a new mower on the place. When he made up his inventory he had found only two old mowers. That he asked George if there wasn't a third mower on the place and George replied to him, if there was he didn't know anything about it and he then asked George if there wasn't a new mower there and George said there was not. That the only gas engine that was pointed out was a one-horse-power engine and that no mention was made to him by George Spiroplos about a larger engine. Nothing was said to him about the posts. That he inventoried the shearing plant. That he didn't go clear up to the shearing sheds but he asked George if there was anything else up there and George said there was not. That George told him there was no gas engine belonging to the shearing plant. That there was no engine with it.

Testimony of William Pollman, for the Trustee.

Mr. WILLIAM POLLMAN was called as a witness on behalf of the trustee and testified that he was President of the First National Bank of Baker, Oregon, and of the Baker Loan & Trust Bank. That he had known George Spiroplos since about 1912. That he knew Milt Spiroplos. That most of the dealings had been with George Spiroplos. That he

(Testimony of William Pollman.)

also knew John Demas five or six years. That Spiroplos Brothers gave to the bank their first mortgage in 1918 and a second one in December, 1919. That the Miller ranch was included in the mortgage given to the bank in 1919. The mortgage was offered in evidence and marked as Trustee's Exhibit No. 13a. The witness also identified a statement covering assets of Spiroplos Brothers which [114] was introduced in evidence and marked as Trustee's Exhibit 14.

That the bank paid the taxes on the Miller land for the year 1920. That about the time the Miller land was purchased the matter was discussed with him by George Spiroplos. That George Spiroplos was going to buy the land in the name of John Demas so that John Demas could get a reserve right as an owner of lands. That Demas was running sheep at the time on which the bank had a mortgage. That an attempt was made to get on the reserve on the basis of the ownership of the lands but that the right was never allowed by the Government. That the land was not purchased by Demas. That George Spiroplos told him that he was buying the land and was buying the land for himself and that he deeded it to Demas simply to enable Demas to get forest reserve rights and that this conversation came up at the time that George Spiroplos borrowed the money to buy the land. That George Spiroplos had never prior to the time of the bankruptcy made any claim or any statement that this land belonged to John Demas.

(Testimony of William Pollman.)

Upon agreement of counsel the Special Master made a statement to the effect that on June 22, 1921, upon the motion of the attorney for the Trustee the Referee made an order directing the bankrupts to turn over to the Trustee all books of account and other memoranda touching the business heretofore conducted by the bankrupts either as individuals or as partners, a copy of the order being mailed on that date to Spiroplos Brothers at Home, Oregon.

Testimony of George Spiroplos, for the Bankrupts.

Mr. GEORGE SPIROPLOS was called as a witness and testified as follows:

That his name was George Spiroplos, 35 years old and resided in Baker County, Oregon. That he was a member of [115] the firm of Spiroplos Brothers and one of the individual bankrupts and that he had been doing business in Baker County since 1911. Was in livestock business consisting of mostly sheep. That he was connected in various transactions with John Demas and other parties in handling sheep. He was the head man. That the money which he had received from the sale of the cows which he claimed belonged to his children he had deposited in the bank to the credit of the children but that he had it in his name at this time, the amount being something like \$400.00 and that the money was still in the bank.

That John Demas had a bunch of sheep and had to have a home so he bought the Miller ranch, furnished the money and bought the ranch for him.

(Testimony of George Spiroplos.)

This was in 1918. That Spiroplos Brothers were well fixed at that time being worth over \$150,000.00. That just prior to that time he had bought a bunch of sheep for John Demas coming to something like \$16,000.00. The Miller ranch had about fifteen acres of cultivated land and raised about thirty or thirty-five tons of hay. That John Demas purchased a mowing-machine to use on the Miller ranch in 1918 just after he bought the place. That in the season of 1919 he left it on the Miller place, where it remained until the fall of the year 1920 when it was brought down to the Spiroplos Ranch at Home, Oregon. That he sold the mowing-machine to Dan Forsea for John Demas for the sum of \$50.00 which he deposited in the Weiser National Bank, the deposit slip introduced in evidence of April 11, 1921, containing an item of \$150.00 is the slip representing that deposit. That sometime later he gave Demas \$50.00 in cash. That he never tried to hide the mowing-machine and never moved it. That they had an old gas engine attached to the shearing plant which was sold [116] to Mrs. Bastian. That they then made an agreement with John Demas that they would furnish the shearing plant and he would furnish gasoline engine and they would shear their sheep together. That Demas furnished an engine. That he thought Mr. Demas ordered the engine in Baker, but that he thought it was shipped from the outside. He didn't know where from but that it was ordered through Baker. That the engine was shipped to Spiroplos

(Testimony of George Spiroplos.)

and charged to Spiroplos Brothers. That Demas ordered the engine himself and that he, George Spiroplos, did not order it. That George Spiroplos paid for it. That Spiroplos Brothers bought the smaller engine but that the larger engine was bought by John Demas, the smaller engine being returned by Spiroplos Brothers back to Nampa but that the last engine was ordered by John Demas through Baker but he didn't know where shipped from. That they paid \$2,800.00 for the Miller land, that is, \$2,200.00 and assumed the mortgage to the State Land Board for \$600.00. On page 151 he testifies that John Demas paid Spiroplos Brothers in full in 1919-1918, the fall of the year some time, didn't remember what month. Later he stated the date to be in 1919 and that after the settlement made in 1919 John Demas did not owe Spiroplos Brothers anything except for some small store bills. That the engine was sold to Gerald Stanfield for \$200.00 and that George Spiroplos got the money for the sale. He deposited the money in the bank to his own credit but claims that he turned over in cash this amount to John Demas some time later. The money being deposited in the Weiser National Bank. The engine being sold in March or April 1921. Trustee's Exhibit 4, a deposit slip representing a deposit of \$225.00, includes one of the payments made upon the gas engine. That he paid John Demas \$200.00 some time in June. [117]

On cross-examination he testifies that he thinks the settlement with John Demas was made after

(Testimony of George Spiroplos.)

the death of Nick Spiroplos, which occurred on November 9th, 1918, but that he wasn't sure, he thought it was about six or seven months afterwards. That the thing that brought about a settlement was the fact that the First National Bank had credited to Spiroplos Brothers a deposit of \$5,300.00, which should have been credited to John Demas. That the \$5,300.00 represented the sale of the 1919 lamb crop some time in June, May, June or July. His best recollection that it was in June. That at the time the settlement was made with the widow of the brother in closing up his brother's estate the item wrongfully credited by the bank was charged up as a liability against the estate. That the settlement with Demas was some time in the spring of 1919. That he was positive it was in 1919 in the spring after the wool was sold in May or June. That he was certain it came in those two months. That he thought the settlement took place at Home, Oregon. That when the settlement was concluded it was found that the books balanced. He didn't owe Demas and Demas didn't owe him. It just evened up in May 1919. Demas didn't pay him anything and he didn't pay Demas anything. That later the lambs were sold and the bank made the deposit above referred to and that accounted for the fact that this item was charged up against the estate. It should be recalled that he testified previously that the credit made by the bank was the thing that brought about the settlement. He denied that he bought the gas engine him-

(Testimony of George Spiroplos.)

self and that Virgil Daniels, the salesman for the Kleinschmidt Hardware Company, sold the engine to him. He admitted that Daniels had been down to his place and interviewed him trying to sell him the engine. That [118] he came to Baker himself and closed the transaction some time in April, 1919, and the engine when shipped was charged to the account of Spiroplos Brothers. That he did not tell the Kleinschmidt Hardware Company to charge the engine to his account because he wasn't there and that he didn't buy it. That he paid for it but he didn't buy it. That Virgil Daniels lied when he said that the witness came in and bought the engine and that witness was the only man that was ever talked to about the sale. Witness then testifies that Spiroplos Brothers ordered the first engine and they did buy the engine in the first place which was the engine turned back to the Kleinschmidt Hardware Company and that John Demas ordered the second engine which was shipped to Spiroplos Brothers and charged to Spiroplos Brothers and paid for by Spiroplos Brothers. That he was unable to produce anything to show that John Demas had ever made a settlement with Spiroplos Brothers in which this engine was paid for by him and that he had known about the hearing for a month. That he doesn't remember any of the items in the settlement that was made at any time or any amounts that were paid. He testifies the checks which had previously been introduced in evidence as the checks paid him

(Testimony of George Spiroplos.)

for the engine. They were offered in evidence at this time and were marked Trustee's Exhibit 19 and Trustee's Exhibit 20 and are as follows:

Trustee's Exhibit 19.

R. N. STANFIELD,

Stanfield, Ore.

Ontario, Oreg. Apr. 23, 1921.

Pay to the order of George Spiroplos, \$75.00
Seventy-five and no/100 Dollars.

G. E. STANFIELD,

By IVY M. LANDES. [119]

United States Nat'l.

Vale, Oregon.

Trustee's Exhibit 20.

Bal. in Full on Shearing Plant.

R. N. STANFIELD,

Dealer in Livestock,

Sheep a Specialty.

Chgs. equipment. No. 30892.

Weiser, Ida. 5/4, 1921. \$225.00.

Pay to the order of Geo. Spiroplos Two Hundred
twenty-five and no/100 Dollars.

Value received and charge to account of

K. W. KIVETT.

To R. N. Stanfield,

Weiser, Ida.

He claims to have paid Demas the \$200.00 some time in June, he didn't know at what place, at some sheep camp right after shearing and paid him in cash. That he took no receipt even though he knew that the gas engine transaction was being

(Testimony of George Spiroplos.)

investigated at the time. That he had testified before the referee on the 26th of May at which time the gas engine was a matter of inquiry but that he took no receipt from Demas for the payment of the \$200.00. On page 167 witness testifies that Spiroplos Brothers owned the Miller Ranch until some time in May 1919, holding it on account of money which John Demas owed but that they didn't remember seeing Trustee's Exhibit No. 14, the statement made to the bank which included the Miller Ranch as an asset but that it was his signature appearing on the statement. He denies that he ever made any statement to Mr. Pollman about the Miller Ranch or the reason that it was taken in the name of John Demas. He later admits on page 171 that he told Pollman he wanted to buy the land so that Demas could have a home and be able to put his sheep on reserve and that was why he was buying the land in Demas' name. That Demas paid the \$2,200.00 which had been advanced by Spiroplos Brothers in 1919 some time in May. This was in 1919. He admits that they gave a mortgage to the [120] First National Bank in which the Miller land was included. That the signatures on the mortgage are genuine.

That the mowing-machine was purchased by John Demas in 1918, some time in the spring, but that he did not know what month. That when he testified previously that the reason he didn't point out this mowing-machine to Charles Bodeau was because it was then on the Miller place and not on the Flick place, where Charles Bodeau was, and that

(Testimony of George Spiroplos.)

John Demas got the machine with the Miller place when he bought that place. That there was some mistake. That Demas did not buy it with the Miller place and that when he so testified previously he was mistaken. That there was no mower with the Miller place when he (George Spiroplos) bought it. That there was no old mower with the Miller place when Spiroplos bought it and that he made a mistake when he so testified. That he got mixed up between the McWaters place and the Miller place. That when they bought the McWaters place they got an old mower. That Demas had no interest in the McWaters place whatever. That there never was an old mower on the Miller place.

On redirect examination this witness testified that the reason the Miller land was included in the inventory was because it had not yet been paid for by Demas. That the inventory was prepared in the handwriting of Mr. James H. Nichols, one of the attorneys for administrator of the estate. That he explained to Mr. Nichols about the money that Demas owed on the place. That he didn't remember just how it was explained but that it was explained fully to Mr. Nichols and as a result the land was placed in the inventory. That he told the bank when he signed the mortgage that the Miller land did not belong to him and that John Demas owned it but in spite of that the bank [121] put it in the mortgage and he signed it. That his attorneys, Mr. Rand and Mr. Nichols, prepared the contract of settlement between him and Elene Palantas, in both of which statements were made that

(Testimony of George Spiroplos.)

Spiroplos owned the Miller ranch. That in all of the transactions Mr. Rand and Mr. Nichols were acting as attorneys for the witness. On examination by the Special Master witness testified that at the time the mortgage was given to the First National Bank the bank knew that Demas did not owe anything to Spiroplos Brothers and that Spiroplos Brothers got all of the money that was borrowed at the time the mortgage was given and that all of the money went to Spiroplos Brothers.

At this time a recess was taken. After the recess was taken witness was placed on the stand and testified that the settlement which Spiroplos Brothers had with John Demas was in 1918, a short time after they had bought the Miller place and at that time the land was settled for and Demas paid Spiroplos Brothers for it and that he was mistaken when he previously testified that the settlement was in 1919.

On cross-examination he testified that all matters between him and John Demas were settled up at that time and from that time on John Demas financed himself except some supplies that he purchased and which he occasionally charged up to Spiroplos Brothers and that some time in 1918 he practically financed himself. That the settlement was made by witness' brother Nick who was living at the time and Nick made the settlement in the bank. That there was a check passed from Spiroplos to Demas or from Demas to Spiroplos

(Testimony of George Spiroplos.)

but witness did not remember which. That after the settlement made in 1918, Spiroplos Brothers had no interest in the land but that he put the land in the inventory of the Nick Spiroplos estate and gave a mortgage to the First National Bank. [122]

Testimony of John Demas, for the Bankrupts.

JOHN DEMAS was called as a witness on behalf of the bankrupts and testified that Spiroplos Brothers had the shearing plant and that he had sheep and he was shearing down on their place and that they made an agreement that Spiroplos Brothers should furnish the shearing plant and he would furnish the engine and he then had Spiroplos Brothers to order the engine and they ordered it and it came. That they bought it and paid for it in the first place and he then settled with them. That he did not order it himself but that Spiroplos ordered it and that he didn't know where they ordered it from or from where it came but that Spiroplos Brothers ordered it and he paid for it. That he had a settlement in 1918 and after that he didn't owe Spiroplos anything.

On cross-examination he testified that the settlement which he had with Spiroplos Brothers was in June or July 1918. That at the time of the settlement which took place at the First National Bank, at Baker, he was not present and that he never got together with Nick Spiroplos or George Spiroplos and went over the different accounts. That he

(Testimony of John Demas.)

was satisfied to take whatever figures Spiroplos Brothers had and accepted their settlement.

That he had nothing whatever to do with the negotiations for the purchase of the gas engine except that he told Spiroplos Brothers to buy the gas engine for him. That he didn't see any member of the sales force of the Kleinschmidt Hardware Company and that he did not himself buy the engine but that the entire transaction was handled by Spiroplos Brothers.

A. A. SMITH,

Attorney for Trustee and Appellant. [123]

State of Oregon,

County of Baker,—ss.

Service of a duly certified copy of the foregoing statement of evidence is admitted at Baker, Oregon, on this 27th day of March, 1923.

PACKWOOD and PACKWOOD,

Attorneys for Bankrupts.

Approved April 12, 1923.

R. S. BEAN,

Judge.

Lodged in Clerk's office, March 29, 1923. G. H. Marsh, Clerk. Filed April 12, 1923. G. H. Marsh, Clerk. [124]

Certificate of Clerk U. S. District Court to Transcript of Record.

United States of America,
District of Oregon,—ss.

I, G. H. Marsh, Clerk of the District Court of the United States for the District of Oregon, do hereby certify that the foregoing pages, numbered from 3 to 124, inclusive, constitute the transcript of record on appeal from the decree of the District Court of the United States for the District of Oregon, in a cause in said court in bankruptcy, in which George S. Spiroplos, Miltiades Spiroplos and Gust Spiroplos, partners under the firm name of George S. Spiroplos & Bros., were adjudged bankrupts and in which cause Charles Bodeau, Trustee in Bankruptcy of the estate of said bankrupts is appellant, and said George S. Spiroplos, Miltiades Spiroplos and Gust Spiroplos are appellees. That said transcript of record has been prepared by me in accordance with the praecipe for transcript filed by said appellant, and is a full, true and correct transcript of the record and proceedings had in said court in said cause, which the said praecipe designated to be included therein, as the same appear of record and on file at my office and in my custody.

I further certify that the cost of said transcript of record is Thirty-six 35/100 dollars and that the same has been paid by said appellant.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of said court at Portland, in said District, this 9th day of June, A. D. 1923.

[Seal]

G. H. MARSH,

Clerk. [125]

[Endorsed]: No. 4050. United States Circuit Court of Appeals for the Ninth Circuit. In the Matter of George S. Spiroplos, Miltiades Spiroplos and Gust Spiroplos, Partners Under the Firm Name of George S. Spiroplos & Bros., Bankrupts. Charles Bodeau, as Trustee in Bankruptcy of the Estate of George S. Spiroplos, Miltiades Spiroplos and Gust Spiroplos, Appellant, vs. George S. Spiroplos, Miltiades Spiroplos and Gust Spiroplos, Appellees. Transcript of Record. Upon Appeal from the United States District Court for the District of Oregon.

Filed July 2, 1923.

F. D. MONCKTON,

Clerk of the United States Circuit Court of Appeals
for the Ninth Circuit.

By Paul P. O'Brien,
Deputy Clerk.

In the District Court of the United States for the
District of Oregon.

June 12, 1923.

In the Matter of GEORGE S. SPIROPLOS et al.,
Bankrupts.

**Order Extending Time to and Including June 20,
1923, to File Record and Docket Cause.**

Now, at this day, for good cause shown, IT IS
ORDERED that the time for filing the transcript
of record in this cause and docketing the same in
the United States Circuit Court of Appeals for the
Ninth Circuit be, and the same is hereby, extended
to and including June 20, 1923.

R. S. BEAN,
Judge.

[Endorsed]: Docketed. No. 4050. United
States Circuit Court of Appeals for the Ninth
Circuit. Order Under Subdivision 1 of Rule 16
Enlarging Time to and Including —, 192—, to
File Record and Docket Cause. Filed Jul. 2, 1923.
F. D. Monckton, Clerk.